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|---------|------------|-------------|------------------|
| Algeria | 6,000 F. | Iceland | 1,524 D. |
| Austria | 11,500 S. | India | 12,000 Rupees |
| Bahrain | 4,600 D. | Indonesia | 4,700 Rupiah |
| Belgium | 40,000 Fr. | Kenya | 16,000 Shillings |
| Canada | C\$1,200 | Kuwait | 500 Dinar |
| Cyprus | C£1,000 | Liberia | 100 Pesos |
| Denmark | 7,000 Kr. | Liberia | L.D.S. 0.35 |
| Egypt | — | Malta | 1,000 Lira |
| Finland | 1,000 F. | Luxembourg | 40 Lire |
| France | 5,500 F. | Morocco | 75 Dirhams |
| Greece | 3,200 Dr. | Turkey | TL 200 |
| Iceland | 45 P. | Algeria | 5,000 D. |
| Ireland | 70 D. | Netherlands | 2,200 Guilder |
| Niger | 115 N.F. | Nigeria | 100 K. Nogais |



Children in a Bolivian family help their parents crush coca leaves so that they can be packed into carriers for easy hauling. The leaves are used to produce the drug cocaine.

America Losing Its 20-Year Battle To Stem the Flow of Illegal Drugs

By Joel Brinkley
New York Times Service

WASHINGTON — Twenty years after drug abuse became a major concern in the United States, almost every strategy to control it has failed and a growing chorus in Congress is saying the United States should try more drastic approaches, such as revoking foreign aid to drug-producing countries.

The dimensions of the problem are enormous. At home, drug abuse leads to crime, broken lives, addiction and death. But that is only where the ramifications begin.

Convincing foreign countries where drugs are produced to cut off the supply has largely failed. U.S. estimates show that more marijuana, cocaine and heroin are being produced than ever before, and far more of the world's supply goes to the United States than to any other country.

With the tens of billions of dollars Americans spend on those illicit drugs each year, the world's drug traffickers are corrupting Third World governments and disrupting their economies, in some cases to devastating degrees.

American drug money also is paying for the activities of many terrorists and revolutionaries. Reagan administration officials say, from the Palestine Liberation Organization in the Middle East to the Shining Path guerrillas of Peru.

The idea of revoking foreign aid alarms some officers in the State Department and in several foreign governments. They say the plan could have serious adverse effects on U.S. foreign policy. But it is becoming increasingly popular among some Democrats and Republicans, liberals and conservatives.

The most recent federal estimates indicate that the use of marijuana and heroin is increasing slightly and that there is a dramatic increase in cocaine use.

So many people are using cocaine that a wide range of federal officials are saying it has become the most serious drug problem the United States has faced. More than 20 million people are now estimated to have tried the drug, 5,000 people use it for the first time every day and at least a million people are addicted, the officials say.

But Frank V. Monastero, assistant administrator of the Drug Enforcement Administration, says that is only where the consequences begin.

"What we are dealing with is of far greater significance than simply drug-police problems," Mr. Monastero said. "The involvement of terrorists and insurgents is a very important part of it."

"Unfortunately," Mr. Monastero continued, "I don't think it is being looked at that way by certain segments in the administration. It is not being taken as seriously as it should."

Mr. Monastero did not specify precisely whom he meant. But members of the Senate and the House of Representatives as well as administration officials complain that the State Department does not consider narcotics enforcement an important part of its mission.

The State Department disputes that. But many Foreign Service officers readily concede that they consider drug enforcement work among the least desirable assignments.

Being appointed to an embassy narcotics control office, one said, "is kind of like being the herpes case officer."

That is a problem, members of Congress and others say, because the State Department is probably the most important player in the nation's drug-control strategy.

Even when drug use has become

A World of Drugs

First of three articles

the early 1960s, when children of the baby boom after World War II first reached the prime drug-consuming age, the federal government has fought a three-front drug war.

At home, it has advocated educating the public to the dangers of drug use. Drug enforcement officials agree that drug education

leads to experimentation.

Overall, the Rand study concludes that the drug education programs tried so far "have been grounded in incorrect assumptions" and "have failed."

The second front in the nation's drug war is at the borders, where federal officers try to seize drugs as they are smuggled from abroad. But few people involved in drug enforcement have ever believed that tactic can significantly reduce drug use. The General Accounting Office estimated last year that law enforcement agencies intercept no more than 10 percent of the drugs smuggled into the United States.

The third front is in a dozen foreign countries where up to 90 percent of the drugs consumed in the United States are produced. There, the State Department is responsible for persuading foreign governments to stop growing marijuana, coca and poppy plants.

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(Continued on Page 5, Col. 1)

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(Continued on Page 5, Col. 1)

Vietnamese Camp Life Called Harsh or Worse

By Barbara Crossette
New York Times Service

BANGKOK — He is a slight man of 37 now, confined to a refugee center and looking for a new home.

In 1975, when the North Vietnamese took Saigon, he was a captain in the South Vietnamese Army and, like tens of thousands of his compatriots, he was sent for "re-education" to a prison camp.

He said, he spent the next six years. One day, without explanation, he was freed.

Last Wednesday, he talked with visitors to the Panai Nikhom refugee transit center in eastern Thailand, where police brought him after he had washed up, on a Thai beach.

The man was interviewed the day after Secretary of State George P. Shultz announced in Washington that the United States was ready to admit 10,000 former and current Vietnamese political prisoners from the re-education camps, as well as the thousands of Vietnamese children fathered by Americans.

From the stories of exiles like the

former army captain, who wanted to remain anonymous for fear of causing harm to his family still in Vietnam, refugee officials have been able to draw a composite picture of life in Vietnamese political prisons.

The former captain said his camp experience was characterized chiefly by hard agricultural labor, little nourishing food and visits from relatives for months at a time.

He said, however, that he knew of few instances of beatings or torture and that he had been forced into what he regarded as a minimal amount of political indoctrination.

But other former camp inmates, officials in Thailand say, tell of harsher treatment, particularly for those who were outspoken political dissenters. Some former prisoners reaching the West have told of being confined to boxes or cages for long periods of time. Occasional executions have also been reported.

Hanoi has yet responded officially to the U.S. offer to accept the political prisoners and the children, which Mr. Shultz announced in testimony before Congress. Dip-

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Dollar Continues Record-Setting

By Bayard Webster
New York Times Service

LONDON — The dollar continued to rise on world currency markets Monday, pushing the British pound, the Deutsche mark, the French franc and other leading currencies to new lows.

Dealers in leading European financial centers were unable to offer any logical reason for the latest bout of dollar buying. "Everybody just wants dollars," a leading London dealer said.

A senior Swiss bank dealer in Zurich said: "The question is now to spot the time when it's going to turn around." But an influential Wall Street economist, Henry Kaufman of stockbrokers Salomon Brothers, said the dollar is unlikely to fall decisively before the second half of 1985. Page 11.

This is a new class of herbicide that works in a very different way than the others," said Dr. William Robertson, a scientist at the National Science Foundation. "It makes use of a buildup of a natural product found in nature that, when activated by the sun's rays, overwhelms the plant's ability to cope with it and results in death."

The prime ingredient of the herbicide is delta-aminolevulinic acid, which is found in the cells of all animals and plants. It is known to scientists as ALA, a natural building block in the chemical construction of chlorophyll, the green pigment in plants. ALA is used by plants to make tetrapyrroles, a group of extremely light-sensitive chemicals that form chlorophyll in the presence of sunlight.

The herbicide, whose principal component is a normally harmless amino acid found in all plants and animals, was found in laboratory tests to cause irreversible damage to weeds in as little as three or four hours by collapsing their tissue and bleeding their fluids, causing them to bleach and dehydrate.

The ALA-based herbicide is sprayed in small quantities just before nightfall and absorbed by the plants.

About two-tenths of a pound per acre was found to be effective.

The tests showed that such damaging weeds as lamb's-quarters,

mustard, red-root pigweed and purslane were killed rapidly. Such other plants as cotton, soybeans and kidney beans exhibited some leaf damage, but the rest of the plant was unaffected and usually recovered. Food crops such as wheat, oats, corn and barley showed little or no effect. Scientists are still studying why some plants are susceptible and others are not.

ALA is readily available from chemical companies and is used for many types of metabolic testing by researchers. It is expensive, however, and its widespread use in herbicides will depend on industry's success in manufacturing its synthetic equivalent in large quantities. Professor Robertson said.

The plant literally shrinks under your eyes," Dr. Robertson said.

The herbicide, called a "laser" herbicide by its discoverers because its actions are triggered by light, was sprayed in smaller amounts than are required when using most commercial products.

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At least four agricultural product companies are now negotiating for the rights for further field testing and production, he added. The university has already received a patent for the compound.

Aides said the Mondale staff was approached "unofficially" last week by a Soviet academician about the possibility of a meeting.

France, Libya to Quit Chad

Agreement Ends Standoff, Fuels Civil War Fear

By Greg MacArthur
Associated Press

PARIS — France and Libya announced Monday that their troops would begin a mutual withdrawal from Chad on Sept. 25, signaling an end to the 13-month military standoff in the country.

But the withdrawal, by creating a military vacuum, also could touch off a resumption of Chad's 20-year civil war, according to independent analysts and diplomats in Paris.

The French limited their official statements Monday to the mechanics of the withdrawal. Foreign Minister Claude Cheysson said he worked out the arrangement during the weekend in talks with the Libyan leader, Colonel Muammar Qaddafi, in Tripoli. He said that a timetable had been established and a date for completion of the pullout set, but that no guarantees had been sought.

"There is no need for guarantees," Mr. Cheysson said Monday on French television. "The principle is simple: if they stay, we stay; if they leave, we leave." He said the arrangement also would include the withdrawal of military equipment.

French officials said later that the withdrawal would be completed by mid-November. They said France and Libya would each choose African nations that would be asked to send observers.

The agreement, following Libya's decision to form a loose "federation" with the conservative kingdom of Morocco, appeared to confirm a moderating trend in Colonel Qaddafi's policies. About a year ago, the Libyan leader withdrew his active support of the Marxist Polisario guerrillas fighting Morocco for control of the Western Sahara.

Chad Army troops loyal to President Hissene Habré, behind 3,000 French troops manning the dividing line, control the southern half of the country. Rebel forces, led by former President Goukouni Oueddei and backed by several thousand Libyan and Libyan-trained troops, control the north.

About 2,000 soldiers from Zaire are also engaged on Mr. Habré's side. Estimates of the number of Libyan troops range from 2,000 to 3,000.

France says Libyan troops intervened on Mr. Goukouni's side in June 1983. After months of denying he had any troops in Chad, Colonel Qaddafi acknowledged in May that Libyan "military elements" were present in the country.

The French intervened in Chad on Aug. 9, 1983, when Libyan rebels and Libyan-supported rebels were on the verge of overrunning the capital of Ndjamena. The French defense minister, Charles Hernu, was scheduled to arrive Monday night after a visit to Jordan.

One of the questions that remain unclear is the fate of the Aouzou Strip, a band of territory across the mountainous, almost uninhabited desert of northern Chad along the Libya border. Colonel Qaddafi acknowledged in May that Libya "military elements" were present in the country.

Mr. Cheysson, asked about the Monday-Gromyko meeting, said Monday, "I have no problem with that at all."

In a speech to Jewish supporters, Mr. Mondale said, "I hope Mr. Reagan will exert finally the leadership required for a breakthrough in U.S.-Soviet relations."

But, he went on, if Mr. Reagan fails to achieve such a breakthrough and is re-elected, "I think of ending this decade with a full-scale arms race in the heavens."

Mr. Mondale said Mr. Reagan's policy toward the Soviet Union has been characterized by "self-defeating name-calling" and "hair-splitting jockeying."

"Four years of Ronald Reagan has made this

Peres Is Hoping to Elicit New U.S. Aid in Meeting With Reagan in October

By Edward Walsh
Washington Post Service

JERUSALEM — Prime Minister Shimon Peres, seeking additional U.S. aid to rescue Israel's sagging economy, will meet with President Ronald Reagan in Washington early next month, it was announced Monday.

Israel Radio said the meeting would take place at the White House on Oct. 8. The exact date was not officially confirmed, but officials familiar with the planning for the visit said it would probably be about Oct. 8.

[However, Mr. Reagan's spokesman, Larry Speakes, said in Washington, "There's been nothing arranged on a meeting yet." According to The Associated Press, Mr. Speakes added: "We would certainly anticipate having a meeting in the near future, but we do not have a specific date or time, and I don't know whether it would be before the election or not." The presidential election is to be held Nov. 6.]

Mr. Peres met for an hour Monday with the U.S. ambassador to Israel, Samuel W. Lewis, for a discussion of the planned visit to Washington and the state of the Israeli economy.

Emerging from the meeting, Mr. Lewis said the United States is "ready to be helpful in any way we can" to Israel, but he declined to answer questions on whether additional U.S. aid would be conditioned on the new national unity government imposing an economic austerity program.

It was a clear measure of Israel's economic dependence on the United States, and of the deteriorating state of the Israeli economy, that Mr. Peres met with Mr. Lewis only four days after assuming power, and that he plans to travel to Washington to see Mr. Reagan less than a month after he became prime minister.

Mr. Peres assumed office Friday at the head of a national unity government that is dominated by the Labor Party, which he leads, and its bitter political rivals from the Likud bloc.

The Reagan administration has said it is willing to support additional emergency economic assistance to Israel, but only if Israel in turn institutes basic reforms in its economic system.

On Sunday, the new Israeli cabinet, in one of its first acts, agreed to cut \$1 billion from the government's \$22-billion-a-year budget, although it delayed decisions on where the cuts will be made.

But the EC countries agreed in principle to step up aid to the poorest countries of black Africa, whose economic situation is becoming increasingly desperate.

Most ministers supported a World Bank proposal for the creation of a special African development fund financed from the extra money many Western countries wanted to give the World Bank's International Development Association, its soft-loan arm, earlier this year before the United States vetoed the plan.

West Germany's finance minister, Gerhard Stoltenberg, opposed setting up a new fund for Africa, according to conference sources. But he said the EC should seek less formal ways of stepping up aid to black Africa instead.

However, Mr. Stoltenberg also told ministers that Germany would only make a final decision on whether to support the proposed new African aid fund as well as a new special drawing rights issue just before the IMF and World Bank meetings begin.

(Continued from Page 1) of the nonindustrialized world and ease the debt crisis.

But the EC countries agreed in principle to step up aid to the poorest countries of black Africa, whose economic situation is becoming increasingly desperate.

European finance ministers also criticized the U.S. efforts to attract European capital to finance the U.S. budget deficit by abolishing the withholding tax on interest paid to foreign purchasers of Treasury bills and by aiming special new government bond issues at overseas markets.

The community ministers said such moves are draining investment funds away from their own industry and slowing Europe's economic recovery. "It is a point on which all feel extremely worried," Mr. Dukes said.

Before the weekend meeting, Belgian finance minister, Willy De Clerq, put forward a compromise for bridging the differences between the United States and other Western countries on the credit and aid issues that will dominate this year's IMF and World Bank meetings, according to European officials.

The Reagan administration has consistently argued that the Western world's current aid plans for African nations and the rest of nonindustrialized countries are insufficient and oppose any increase in development assistance.

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Mr. De Clerq, who is also chairman of the IMF's Governing Interim Committee, suggested that the community should agree to a slight reduction in debtors' borrowing rights from the IMF in deference to U.S. views, and ask the United States to go along with a small new special drawing rights issue in return.

Debtors countries can borrow up to 125 percent of their IMF subscription or quota annually if they adopt economic policies that it prescribes. But since no country has recently borrowed its full entitlement, Mr. De Clerq argued that the ceiling can be lowered slightly without damaging the Third World's prospects.

Equally, he suggested that the distribution of about \$5 billion worth of new special drawing rights to all IMF member countries over two years would help maintain international confidence in this new reserve asset without significantly increasing inflationary pressures.

Some European officials said they still hope a compromise along such lines could be worked out in Washington this week.

In Lebanon, Cabinet Sets New Talks On Reforms

Reuter

BEIRUT — Lebanon's government of national unity began three days of closed talks Monday to discuss issues dividing the country's Christian and Moslem communities and plans to extend Lebanese Army control beyond Beirut.

The gathering, being held in President Amin Gemayel's home village of Bikfaya east of Beirut, is expected to consider reforms that would give the Moslem majority a greater voice in the government.

Prime Minister Rashid Karameh said after the opening session that the ministers had set an agenda based on a platform approved by the government in May and had discussed proposals for liberating Israeli-occupied southern Lebanon.

Official sources said the ministers were to vote late Tuesday on a "gentlemen's agreement" to refrain from making inflammatory statements during the talks.

Press accounts said the report calls for a five-phase troop deployment. It was drawn up by a security committee of senior Lebanese and Syrian military officers.

Two key Moslem ministers, the Shiite leader Nahib Berri and the Druze leader Walid Jumblat, have said that they want the army deployed all at once rather than in stages.

Mr. Jumblat has blocked plans for troops to take over parts of the Beirut-Damascus road held by the Druse, saying that political reform must come first.

Mr. Berri wants priority for reopening the coastal road to the Awali River, 38 kilometers (24 miles) south of Beirut, which marks the northern defense line of Israeli forces in the south.

Failure to agree on details of the plan has stalled peace efforts since the army spread out in Beirut on July 4 to end five months of fighting between Christian and Moslem militias.

WORLD BRIEFS

Solo Balloonist Heads for Switzerland

BREST, France (UPI) — A U.S. balloonist, Joe W. Kittinger, battled shifting winds Monday off the French coast and decided to push on to Switzerland and set a distance record on his way to completing the first solo balloon crossing of the Atlantic, air traffic controllers said.

Controllers in Brest on the Brittany coast said the balloonist was pushed southward by shifting winds and was about 140 miles (225 kilometers) off the Atlantic resort town of Royan. They said Mr. Kittinger's helium balloon was moving at about 40 mph (65 kmph) and had plunged from 9,000 to 7,500 feet (2,700 to 2,300 meters) and would cross the French coast some time Monday night.

Controllers at the Irish air traffic center of Ballygirreen near Shannon airport who spoke to Mr. Kittinger said he was in high spirits and intending to fly to Switzerland to beat the distance record set in 1978 by the late Maxie Anderson and his crew on the Double Eagle II. Mr. Kittinger left Caribou, Maine, Friday night aboard his Balloon of Peace.

Soviet Ministry Sets Press Session

MOSCOW (AP) — The Soviet Foreign Ministry announced Monday without elaboration that there would be a press conference here Tuesday "in connection with a provocation against a Soviet citizen."

Because Soviet officials telephoned foreign correspondents to announce the session, it was clear that they wanted to draw as many journalists as possible. The announcement also was carried in Tass, but there was no word on who would conduct the meeting.

There was some speculation in Moscow that the press conference might concern Oleg Bitov, an editor with the Soviet magazine Literatura Gazeza, who defected to Italy last year but who has been missing since mid-August.

Palme Warns Russians on Intrusions

STOCKHOLM (UPI) — Prime Minister Olof Palme strongly warned the Soviet Union Monday that the continued Cold War was forcing Sweden to defend its neutral territory against intruders.

Speaking with unusual sternness, Mr. Palme repeated warnings that his government would not hesitate to sink an intruding submarine and promised that past Soviet incursions would not be forgotten.

Addressing the ruling Social Democratic Party's 29th Congress, Mr. Palme said renewed diplomatic contacts with the Soviet Union should not be viewed as a softening of this neutral nation's defense. The congress rejected a resolution calling for a cut in the military budget and a marked increase in funds for peace research.

Protesters Invade U.S. Base in Britain

UPPER HEYFORD, England (AP) — Anti-nuclear protesters aboard a train pulled the emergency brake Monday as it passed a U.S. nuclear bomb base, then jumped off, swarmed over a wire fence onto the base and painted slogans on the runway and a radar building, authorities said.

A U.S. Air Force spokesman said 41 people were detained by military police at the base and turned over to the local constabulary. The base houses 70 F-111 bombers.

A group called the Brighton Non-Violent Direct Action Network claimed responsibility for the incursion. Brenda Drury, a spokeswoman, said, "The whole place is obscene — a place whose only purpose is to destroy millions of innocent people."

Greece Protests Albanian Shooting

ATHENS (AP) — Foreign Minister Karolos Papoulias called in the Albanian ambassador, Ksenofon Nushi, on Monday to protest the fatal shooting Saturday of a Greek police officer by Albanian border guards, a government spokesman said.

A Greek spokesman denied earlier reports that the policeman, identified as Pavlos Loli, 48, from a village near the northern Greek town of Konitsa, was shot after wandering across the mountainous frontier by mistake.

He said that Mr. Loli, who was on a hunting trip with friends, was killed by automatic fire from the Albanian side of the border while he was 250 meters (about 275 yards) inside Greek territory. It was the first serious border incident between Greece and Albania since diplomatic relations were established in 1971. In July, France recalled its ambassador after Albanian border guards killed a Club Mediterranee employee when he strayed into Albanian waters while spearfishing near the Greek island of Corfu.

For the Record

Anatoli Karpov, the champion, won the third game of the world chess final in Moscow on Monday when the challenger, Gary Kasparov, resigned after Mr. Karpov's 31st move. Mr. Karpov leads 1-0. The first man to take six games will win the title.

Iranian security agents thwarted an attempt by three persons Monday to hijack an Iran Air flight from Tehran to Bushire, a city on the Gulf in southern Iran. IRNA, the Iranian news agency, reported. The three were arrested at Tehran's Mehrabad Airport before they could board the plane, the agency added.

China and India held the fifth round Monday in talks over their disputed border in the Himalayas. There was little to indicate that any real progress would be made.

South African riot police fired tear gas at a crowd gathered Monday in the black township of Soweto after pamphlets had warned residents not to go to work. Residents in the township, outside Johannesburg, said police officers were touring the area in armored personnel carriers and buses.

Red Cross officials from North Korea and South Korea will meet Tuesday for the first time in seven years in what officials in Seoul hope could be a breakthrough in links between the two states. The meeting, at the border village of Panmunjom, was suggested by North Korea to work out how it will send 100,000 tons of rice, cement, clothing and medical supplies offered as relief aid to flood victims in the South.

Brian Mulroney was sworn in as prime minister of Canada in Ottawa on Monday. Mr. Mulroney, leader of the Progressive Conservative Party, replaces John Turner, a Liberal.

EC Resists U.S. on Third World Credit

SALUTING THEIR LEADER — Ayatollah Khomeini, the Iranian leader, meets families of people slain and missing in the Iraq war on Monday at a mosque in Tehran. The four-year war has claimed hundreds of thousands of casualties on both sides.

Ex-Inmates Call Life in Vietnamese Camps Harsh

Inmates were imprisoned because of their participation in the former South Vietnamese government and its armed forces or for their ties with Americans in Vietnam.

Refugee officials say no one knows exactly how many political prisoners are still held by Vietnam. Hanoi's foreign minister, Nguyen Co Thach, has suggested there are 10,000.

In addition, there are tens of thousands of former inmates of the camps, which may have held a total over the last decade of as many as 150,000 men and women, who might try to obtain exit visas from Vietnam because they were imprisoned. Until now, refugee officials say, the Vietnamese government has not granted exit permits to its citizens solely because they had been camp inmates. U.S. officials say they know of at least 18,000 former prisoners among their own records of applicants for asylum.

The United States has pledged to take family members as well as camp inmates. In many instances, families number more than a dozen people.

Refugee officials who have examined former camp inmates at transit centers in Southeast Asia report that they are often suffering from health problems associated with malnutrition and an unbalanced diet: bad teeth, eye defects, scurvy, ulcers. For some, meals never consisted of more than rice and salt, with occasional pieces of fish. The exiled captain said he was often able to prepare some extra food for himself in the evenings.

Vietnam opened its first re-education centers within days of the fall of Saigon, former prisoners say. Many relatively unimportant or low-ranking South Vietnamese with connections to the fallen government were confined for relatively short periods in April and May 1975.

By June, officials say, higher-ranking officers were beginning to be jailed. At this point the word "studies," which became "re-education" in common parlance, was dropped from the description of the camps and the Vietnamese word for "reconstruction," the same term North Vietnam had ear-

lier employed to describe its prisons, was substituted. As many as 100 of the camps, many of them in the region of Saigon (renamed Ho Chi Minh City), were apparently in operation during this period.

By 1978, according to former prisoners' accounts, which officials caution are always fragmentary because they had no access to records, lower officers began to be released. Military men from the rank of colonel upward were moved farther north.

In 1980, there appears to have been a new series of arrests. But after six months, as applications for emigration and certificates of release examined by refugee officials indicate, many prisoners were again being released.

While Washington awaits Vietnam's response to its offer, the U.S. Embassy in Bangkok is preparing to increase its refugee staff substantially and to computerize its operation to facilitate the quicker movement of people out of Vietnam and into one of several transit centers in Southeast Asia.

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IEFS**ir Switzerland**

Joe W. Kittinger, bashed and decided to push on to the controllers and said the balloon was about 140 miles (225 km) from Royan. They said Mr. Kittinger had 2,300 meters, and would be back for balloon at Peace.

was Session

industry announced Monday at conference here Tuesday Soviet citizens.

For three years, the fact that women like the president and his party less than men have chided Republicans and warmed Democrats, because women are now as likely to vote as men, and women outnumber men.

But at least for the short run it is Mr. Reagan's extraordinary appeal to men, the flip side of what politicians call the gender gap, that has emerged as a major element in the 1984 presidential campaign.

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In 1980, women split their votes

base in Britain

Reagan's John Wayne Image Creating Macho Gap in Race With Mondale

By Maureen Dowd
New York Times Service

NEW YORK — Ask men about Ronald Reagan and they often give two-listed answers:

"He's a man who, when he says something sticks to his guns," said Dan Luch, a 28-year-old engineer attending a Democratic rally in Detroit. "It's a John Wayne type of thing — you know, the cavalry."

His father, Ken, chimed in:

"Reagan can butt up against the Russians."

For three years, the fact that women like the president and his party less than men have chided Republicans and warmed Democrats, because women are now as likely to vote as men, and women outnumber men.

But at least for the short run it is Mr. Reagan's extraordinary appeal to men, the flip side of what politicians call the gender gap, that has emerged as a major element in the 1984 presidential campaign.

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In 1980, women split their votes



Walter Mondale fishing on Gunflint Lake in Minnesota. (The Associated Press)



Ronald Reagan clearing brush with a chainsaw in California. (United Press International)

The impression has been heightened, those familiar with the matter agree, by the way Mr. Mondale has handled a series of events in his campaign, from his reversal on making Bert Lance chairman of the Democratic National Committee to his sidelines stance in the dispute over the finances of his running mate, Representative Geraldine A. Ferraro.

The Democrats think Mr. Reagan is vulnerable in many ways, but they concede his edge in the bravado department.

"He took a bullet in the chest and survived," Mr. Garth said. "and all of America saw it. That was a very macho thing."

The campaign imagery points up the difference in how the candidates are perceived.

In Texas Mr. Reagan and Vice President George Bush posed in cowboy hats with a pair of cheerleaders.

Mr. Mondale appeared in the "Mondale Family Cookbook," wearing an apron and offering tips on butter versus margarine for his Fettuccini a la Pimento Mondale.

"It's the perfect gentleman versus the cowboy," said Rich Bond, a Republican consultant who was an aide to Mr. Bush. "Reagan is a healthy dose of macho, and Mondale is part of the Brie-and-chablis crowd. The Mondale people need to toughen their boy up."

Such braggadocio makes the Democrats, 46 percent to 41 percent.

David Garth, a Democratic media consultant, suggested, "What you have with the president is an appearance of competence and being in charge." By contrast, he said, Mr. Mondale projects "a weaker male image."

"I think that Walter Mondale gets a bum rap on this male issue," said Robert S. Strauss, the former chief of the Democratic National

Committee, who is heading a council of advisers to the campaign.

"The truth of the matter is on male issues — defense and economics and things like that — Mondale is solid."

"Even further than that," Mr. Strauss added. "Mondale is sort of a man's man. He likes to do the things that we associate with male — what do you call it? — macho. He's a fisherman. He likes to sit around and have a drink in the evening with his shoes off and a cigar in his mouth with his friends. He's a hunter. He's interested in sports."

It is particularly frustrating for the Democrats because their polls show that the majority of men side with Mr. Mondale on issues but prefer the president's brand of leadership. The Times-CBS election poll in 1980 indicated that personal traits were more important than issues.

Dotty Lynch, a Washington polisher who has done work for the Mondale campaign, said Mr. Mondale had to convince the voters that his "consensus style" was more appropriate for the technological age than Mr. Reagan's leadership style.

"What is leadership?" she said. "Is it the 73-year-old guy who goes out and chops wood, or is it somebody who puts in long, hard hours and works with groups and solves problems?"

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N.Y. Man's Neighbors Fail To See Splendor in Grass

New York Times Service

BUFFALO, New York — A self-described environmentalist is scheduled to appear in court this week to defend his right to grow a "small meadow" instead of a lawn in front of the house he rents in the Buffalo suburb of Kenmore.

"My yard is ecologically superior and in no way infringes on my neighbors' rights," said Stephen Kenney, 30, a graduate student at the State University of New York at Buffalo.

His meadowlike yard has annoyed some of his neighbors in Kenmore, a quiet middle-income village. It has led local officials to bring him to Village Court on Tuesday to face charges of violating housing codes. The maximum fine is \$1,000 a day.

Mr. Kenney said he planned to appeal any negative decision.

"There's a point where the individual has to tell the state, 'I think we will get through the difficult times,'" said Mr. Powers of Heublein. "Alcohol has been with us since before Christ. I believe it is enduring."

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Liquor Industry Responds to New Sobriety in U.S.

By N.R. Kleinfield
New York Times Service

NEW YORK — America is drinking less — and that is a sobering experience for the alcoholic beverage industry.

In a country that has become more alert to health and fitness, more agitated about drunken driving, and more mindful of moderation in many social habits, people are drinking less than they have in recent years. As a result, the entire liquor industry — from distillers and distributors to retailers and bars — is changing the way it does business.

Leading liquor companies such as Seagram and Heublein are responding with new product lines that rely on fruit juices and are seeking to lower the alcohol content of their whisky. Breweries are introducing low-alcohol and even no-alcohol beer. Mindful of heightened concern about drunken driving, restaurants and bars are cautioning customers to drink in moderation and are plying them with coffee when they leave.

"There is a fundamental attitude change about health and alcoholic beverages," according to J. Penn Kavanaugh, president of Schieffelin & Co., one of the oldest American

importers of wine and spirits. He said his company was considering branching out into low-alcohol wines and nonalcoholic products, something that "five years ago would have been unthinkable."

Per capita consumption of distilled spirits fell last year, the fifth year in a row. Beer consumption, after declining in 1982, inched up a bit last year but is down again this year. Though wine drinking rose moderately last year, the gain was nothing like the robust advances of the early 1970s.

Twenty-three states have set the minimum drinking age at 21, compared with 14 states five years ago, and the number seems likely to grow significantly.

Drunken driving has come under concerted attack, with tougher laws in most states, and with court rulings upholding the liability of bars who serve liquor to inebriated guests.

Various communities now forbid "happy hours," when bars and restaurants sell drinks at discounted prices.

One way that distillers, vintners and brewers are reacting is to introduce lower-alcohol drinks.

Low-alcohol beer, containing

half the alcohol of regular brews, is now available from Anheuser-Busch Inc., the Miller Brewing Co. and the Stroh Brewery Co., among others.

Wine coolers are the hottest item in the wine business. Wine Coolers Inc. pioneered this category, which consists of wine mixed with nonalcoholic products.

The wine and spirits group of the Alco Standard Corp., which produces and distributes alcoholic beverages, attaches this reminder to the labels of its beverages: "Enjoy in Moderation." The company will conduct seminars this fall to educate managers of restaurants and bars on how to serve alcohol responsibly and bow to market low-alcohol and alcohol-free products.

Heublein has concentrated on alcohol that mixes well with juices and sodas. "Consumers are looking for relaxation and an elevation of the spirits," said John Powers, president of Heublein. "They are not looking for loss of control."

His company is testing lower-alcohol products such as Citronet, a carbonated citrus drink made with white wine that has 4 percent alcohol.

Heublein has asked the Federal Bureau of Alcohol, Tobacco, and Firearms to alter its regulations to make it easier to sell low-proof whisky. Under present rules, though, if the alcohol content is below a certain level, it must be labeled "diluted." Heublein and Seagram would like to be able to label lower-strength spirits as "mild" or "light."

"The cocktail hour has in effect become the wine hour," commented John DeLuca, president of the Wine Institute, a trade association. "The three-martini lunch has become the wine lunch."

Changes are apparent in bars and restaurants, which have become jittery about lawsuits charging them with liability in drunken-driving accidents. Many bars are closing earlier, pressing soft drinks on red-eyed patrons, and posting warning signs.

A potential threat to the industry is a movement to restrict the advertising

CAMPAIN BRIEFS

Bush Says Black Leaders Hurt GOP

WASHINGTON (UPI) — Vice President George Bush, seeking to explain why President Ronald Reagan has failed to win significant black support, has said that black leaders and ministers have prejudiced the case against Republicans.

"There has been a lot of discipline in that black community equating compassion with spending on federal programs," Mr. Bush said on a television interview program. "I think the discipline out of the black churches has been strong and we just have to keep trying."

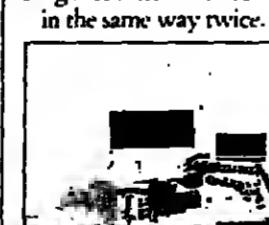
Massachusetts Holds Senate Primary

BOSTON (UPI) — Tight races in both parties to replace retiring Senator Paul E. Tsongas of Massachusetts highlighted primary action Tuesday.

In the contest for the Democratic nomination, polls showed a tight race between Lieutenant Governor John Kerry and Representative James Shannon. Two other candidates are far behind. On the Republican side, polls showed the gap closing between Elliot Richardson, long seen as the front-runner, and a high-tech millionaire, Ray Shamie.

Oklahoma and New Mexico also held contests Tuesday as the primary season draws to a close. Only Hawaii and Louisiana have primaries after this week, with Alabama and Florida yet to hold runoff elections.

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Europeans Reject U.S. Complaints on Defense Role

By Drew Middleton
New York Times Service

BRUSSELS — The European members of the Atlantic alliance are strongly disputing complaints in the United States that they have not contributed adequately to the defense of the West. They assert that they are and that critics in Congress and elsewhere are ignoring the facts.

The catalyst for the dispute was a proposed amendment to a defense authorization bill by Senator Sam Nunn, Democrat of Georgia, that

NEWS ANALYSIS

called for a reduction of U.S. forces in Western Europe by one-third unless the allies did more to build up their conventional forces. Mr. Nunn, diplomats at alliance head-

quarters here point out, was restating a complaint that has been aired periodically since the 1970s.

The real issue, in the words of Steven Ledogar, U.S. deputy chief of mission at the North Atlantic Treaty Organization, is that "the allies are not doing enough" and that this has "implications for the survival of the United States."

Without a credible conventional

defense against Soviet aggression into Western Europe, he said, the United States "would have to turn to thermonuclear exchanges." The threat posed by the Soviet Union and its Warsaw Pact allies, he asserted, is "demonstrably greater than it was 10 years ago."

The Nunn amendment, which was defeated in the Senate in June by a vote of 35 to 41, has increased awareness of the problem, and since then, the Europeans have sought to present the other side of the issue.

The "very substantial scale" of the European contribution is not fully appreciated, a recent statement issued by NATO headquarters here said. "It is by no stretch of the imagination merely secondary to the American effort," it added.

The European allies, the statement said, provide 90 percent of the ground forces, 80 percent of the combat planes, 80 percent of the tanks and 90 percent of the armored divisions in the alliance.

Their navies deploy 70 percent of NATO's fighting ships. Europe has three million men and women on active duty and three million in the reserves. The corresponding Amer-

ican figures are two million and one million.

American sources counter that the Europeans, by failing to build up stocks of ammunition, weapons and other supplies, are not prepared for a long war or a defense that would check a Soviet attack. U.S. forces are in a position to fight for at least 30 days with weapons and stores in the area.

John Graham, the British representative to the alliance, defended European efforts, saying that both Britain and West Germany are building up stocks of weapons and ammunition and have introduced new tanks.

A West German source said that the West German Army of 335,000 men and women would be doubled on mobilization and that West Germany is making a contribution, often overlooked, by making available exercise areas, airfields and communications.

Eurogroup, an informal grouping of the European members of NATO minus France, says it is working for a "strong, cohesive and effective contribution" to the common defense.

In interviews, diplomats empha-

sized that the strain of the recession from which Europe is emerging had reduced funds for the military. A U.S. official commented, "If it is a choice between cutting expenditures for welfare or weapons, they will go for arms reductions every time."

NATO Chief Chides Danes

General Bernard Rogers, the supreme commander of NATO, said Monday in Ringsted, Denmark, that Denmark would be unable to support NATO troops guarding the Baltic approaches — its designated role in a crisis — unless it increased its financial contribution to the alliance. Reuters reported.

"The Danish contribution continues in the direction in which it is now headed," General Rogers said at a news conference. "I am con-

vinced it will reach the point where it will not be able to perform that mission."

Denmark's center-right minority coalition government and the opposition Social Democrats agreed in June on a military budget that effectively froze spending at an inflation-linked 10.5 billion kroner (\$1 billion) annually for the next three years.

General Rogers was visiting a NATO exercise code-named "Bold Gannet."

U.S. Reported to End Hunt For Mines in Red Sea Area

The Associated Press

CAIRO — The U.S. Navy is no longer searching for explosives in the Red Sea area, a source disclosed Monday. France, meanwhile, said that the mine found last week was laid during the 1973 Arab-Israeli war and not in any recent attempt to disrupt shipping in the waterway.

A highly placed source, who spoke on condition that he not be identified by name or nationality, said that the active phase of the U.S. minesweeping effort was finished and that a formal announcement would be made later by the Egyptian government.

The United States dispatched three vessels and seven helicopters to search for mines after explosions damaged 18 ships in the Red Sea and Gulf of Suez from July 9 to Aug. 15. Joining the Americans were naval units from Britain, Egypt, France, Italy, Saudi Arabia and the Soviet Union.

The searchers found only one active mine. An Egyptian military communiqué released Sunday and confirmed Monday by French offi-

cials, said that the French Navy recovered the mine south of the Gulf of Suez on Friday and detonated it.

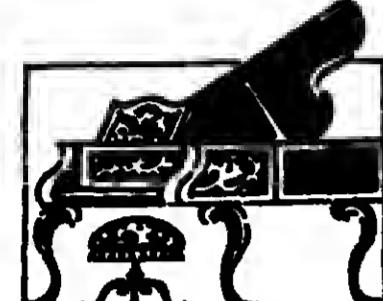
A French Defense Ministry spokesman said that the Soviet-built mine was laid during the 1973 Arab-Israeli war. "It has nothing to do with any of the recent suppositions about mining in the area," the spokesman said.

A French source in Cairo said he was convinced that mines from the 1973 war had not been responsible for the recent series of explosions.

No country has claimed responsibility for planting mines this summer. A pro-Iranian group calling itself Islamic Jihad, which claimed responsibility for attacks against U.S. and French installations in Beirut last year, announced that its operatives had planted 192 mines in the Red Sea.

But Egyptian and Western military sources have dismissed the claim, saying that it was unlikely a terrorist group could have planted the explosives without the aid of a maritime nation.

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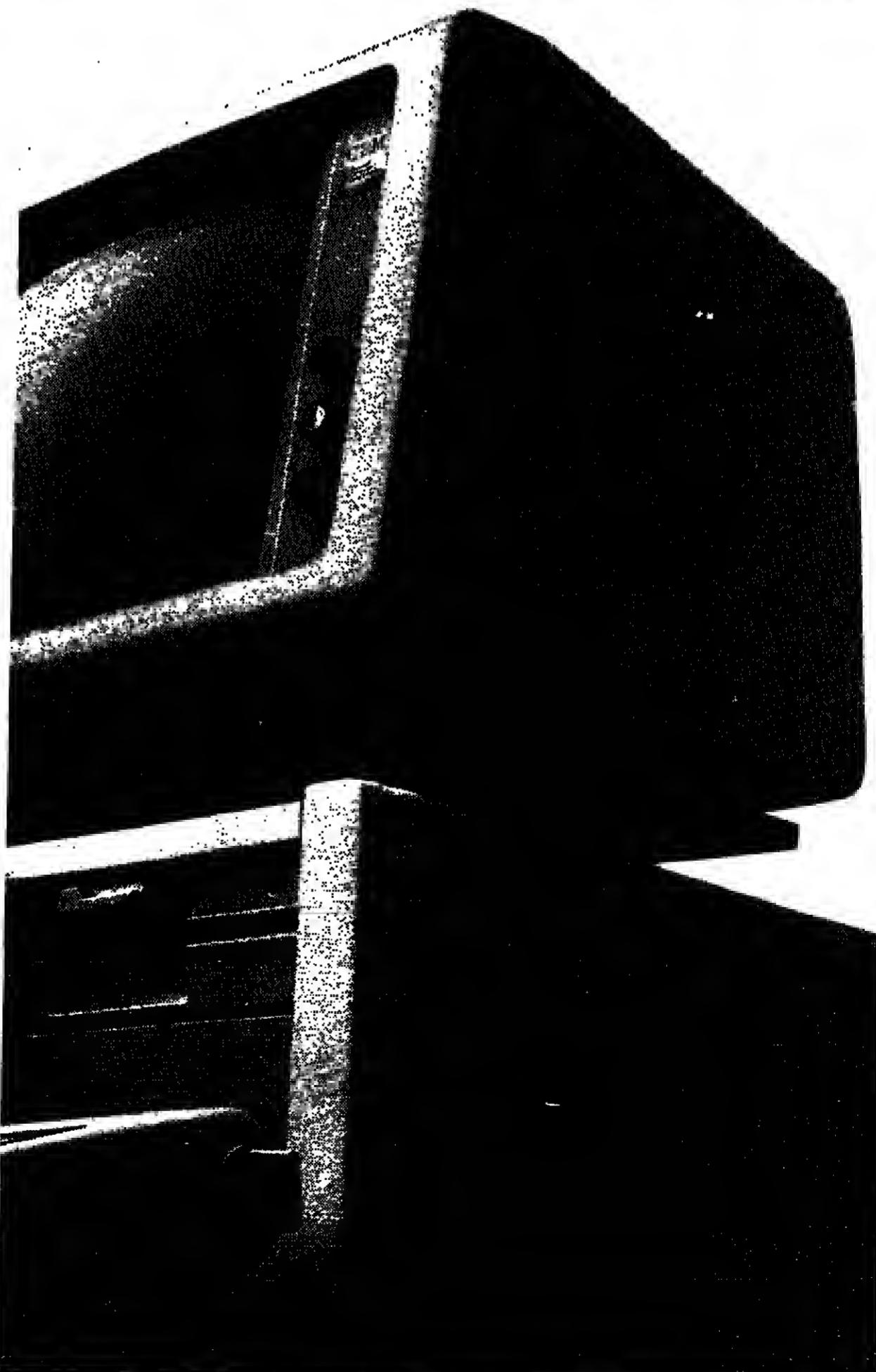
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High-Level Panel Urges U.S., Japan To Cooperate on Building Weapons

The Associated Press

WASHINGTON — A panel of Japanese and Americans, warning of a buildup of Soviet forces in Northeast Asia and of inadequate Japanese defenses, urged their governments Monday to begin joint development of high-technology weapons.

Ending a 16-month study, the U.S.-Japan Advisory Commission said that Soviet missile strength is expected to increase dramatically and that Japanese defenses fall short of meeting the potential threat.

The group also urged Japan to devise a more positive strategy for easing U.S.-Japanese economic tensions.

"An unacceptable level of friction is eroding good will and mutual trust between the two countries," it said.

The 15-member commission was

formed after a 1983 meeting in Washington between President Ronald Reagan and Prime Minister Yasuhiro Nakasone. It was headed by David Packard, a former assistant U.S. defense secretary and chairman of Hewlett-Packard Inc., a leading computer firm, and Nohruki Ushiba, former Japanese minister for external economic affairs.

"In an era when technology can make decisive contributions to the development of new defense systems," the report said, "Japan and the United States — as the world's two technological leaders — should vigorously pursue research and development collaboration."

"It makes sense to combine such Japanese strengths as state-of-the-art electronics, telecommunications, and maintenance and production techniques with such American skills as systems engineering and software," the report said.

It added: "Soviet air, naval and ground forces in East Asia have been modernized; 135 late-model SS-20 intermediate-range missiles have been deployed; and over 70

backfire bombers and a new generation of fighters are stationed in the Asian theater." The number of SS-20s is expected to increase dramatically by 1990.

The Soviet fleet in the Pacific, the report said, has nearly 800 ships, including at least 125 submarines.

"Japanese capabilities fall short of the mission it has undertaken" in protecting Japan's territory and airspace, the report said, as well as defense of Western Pacific sea lanes.

"Major deficiencies of the Japanese Self-Defense Forces encompass such areas as command and control, communications, integrated air defense, groundwork for service operations, obsolete equipment and logistical reserves," it said.

On economic issues, the advisory commission found that although Japan has made unilateral concessions in recent years, the difficulties that American companies still find in marketing goods in Japan "call into question Japan's commitment to free or fair trade."

"Japan needs to develop strong



David Packard

mechanisms to ensure that once commitments are given, they are implemented fully and on schedule," the report said.

Other members of the commission included Donald H. Rumsfeld, former U.S. defense secretary, Douglas A. Fraser, former president of the United Automobile Workers Union, former Foreign Minister Saburo Okita of Japan and Atsuo Morita, chairman of Sony Corp.

Treaty with Libyans Buoy Moroccans in Sahara With End to Tripoli Financing of Polisario, Officials Say War Is Nearly Won

By Edward Schumachter
New York Times Service

OUED EL KHATT, Western Sahara — Moroccan officials and military commanders, buoyed by a treaty with Libya that has ended Libyan financing of leftist Polisario guerrillas, assert that they have all but defeated the guerrillas in their eight-year war for the Western Sahara.

At this point, the latest and

known as "the national question" and was the driving force behind the king's putting up with criticism from his chief allies and arms suppliers, the United States and France, to sign the treaty with Libya.

The king drove Spain from the Sahara by mobilizing more than 300,000 Moroccans in the peaceful

Algeria for the dominance of the western Arab world.

"The Polisario are only a proxy in a war between two countries," said Colonel Abdellaziz Benyahia, commander of the Moroccan forces in the Western Sahara.

Morocco, which plans to keep extending the wall, is receiving more than \$77 million this year in military aid from the United States, which supplied the electronic sensors. It is also receiving nearly three times that from France, which since 1980 has supplied 50 Mirage planes. American and French officials said. The U.S. aid has decreased from \$101 million in 1983, the Americans said. Saudi Arabia finances most of the arms purchases.

The walls, meanwhile, have virtually ended a way of life for the Bedouins, who until a few years ago still crossed the desert in camel caravans. Morocco has poured economic development funds into the area, turning Aun into a booming city of new schools, industry and housing to settle the Bedouins and win the hearts of the Saharans.

Thousands of Moroccans have also been enticed by higher, tax-free wages and travel benefits to settle in the Western Sahara. The settlement policy has complicated the issue of who the real Western Saharans are.

The Moroccans say 18 of their soldiers have been killed this year, a dramatic turnabout from three years ago, when annual casualties were in the hundreds

the completion of the latest and largest wall, the sources say.

The 3,000 to 5,000 Polisario Front guerrillas, fighting for the independence of the former Spanish colony, are likely in confuse harassing operations from their bases in Algeria, according to the Moroccans, as well as Western and Arab diplomats and many Saharans.

But they say the treaty ratified two weeks ago with Libya marks the final stage of a phased reduction of Libyan aid to the guerrillas over the last year and appears to have accelerated their decline as a major force.

Libya had provided much of the Polisario's financing and arms, including artillery, some tanks and Soviet-made SAM-6 anti-aircraft missiles. Algeria is thought to have helped with logistics, but Moroccans and foreign diplomats say that hardly compensates for Morocco's military superiority, the guerrillas' dwindling number and their loss of political support.

The Moroccans say 18 of their soldiers have been killed this year, a dramatic turnabout from three years ago when Morocco's annual casualties were in the hundreds. The war was sapping the national eco-

Green March into the territory in 1975. Madrid split the territory between Morocco and Mauritania for temporary administration. Morocco troops took over the Mauritanian border in 1979 after Mauritania began to withdraw under Polisario pressure.

Morocco has agreed in hold-out sections of the Sahara over the last three years, contain less than half the territory's 109,000 square miles (281,000 square kilometers) but almost all its estimated 150,000 people.

The walls, slicing ever-larger sections of the Sahara over the last three years, contain less than half the territory's 109,000 square miles (281,000 square kilometers) but almost all its estimated 150,000 people.

Even though Morocco still officially accepts a referendum, a leading cabinet minister reflected the government's attitude when he said in an interview, "Nobody cares about a referendum now."

One country that does care is Algeria, which has helped arm the Polisario guerrillas at their headquarters in Tindouf, near the Saharan border. Partly behind the support, however, has been competition between Morocco and

Singapore — Two ships have rescued more than 230 Vietnamese refugees in the South China Sea, a spokesman for the UN High Commissioner for Refugees said Monday.

The spokesman named one ship as the Liberian-registered Casor,

which brought 148 refugees to Singapore on Sunday after picking them up last week.

Rama Rao to Hold Confidence Vote in Assembly

United Press International

NEW DELHI — N.T. Rama Rao, unexpectedly reinstated as chief minister of Andhra Pradesh state, declared Monday that he would hold a vote in the state assembly Thursday to prove he holds a majority.

"I have no fears about proving my majority on the floor of the house," he said.

Mr. Rama Rao was returned to office Sunday after his successor, Bhaskara Rao, resigned when he failed to prove that he held a majority in the state assembly.

Thousands of supporters

cheered and danced in the streets Sunday as Mr. Rama Rao and his cabinet were sworn in at the state capital of Hyderabad, 800 miles (1,300 kilometers) south of New Delhi.

Mr. Rama Rao's return to office triggered speculation that Prime Minister Indira Gandhi ordered the move to limit political losses caused by the power struggle sparked by his removal.

The former actor had claimed his dismissal Aug. 16 was part of the prime minister's campaign to quash her opposition before national elections that must be held

by January. Mrs. Gandhi has denied any part in the dismissal.

Ram Lal, the Gandhi appointee who was governor at the time, claimed that he removed Mr. Rama Rao because he had lost his majority in the 295-seat assembly. Mr. Lal did not allow the chief minister to test his claim that he held the support of 163 legislators, a clear majority.

Major opposition parties hailed Mr. Rama Rao's return as a defeat for Mrs. Gandhi and called for national "victory rallies" Thursday to celebrate the "victory of democratic forces over authoritarianism."

A commentator for the Indian Express newspaper, voicing widespread speculation, said Mr. Rama Rao regained his seat because Mrs. Gandhi's ruling Congress(I) Party decided to end the farce which had been going on in Hyderabad for the last four weeks and salvage the ruling party's prestige to the extent possible.

The pro-Gandhi Times of India acknowledged it was "now almost certain" that the decision "to allow Mr. N.T. Rama Rao to stage a comeback was taken at an informal meeting Mrs. Gandhi had with senior cabinet colleagues Friday."

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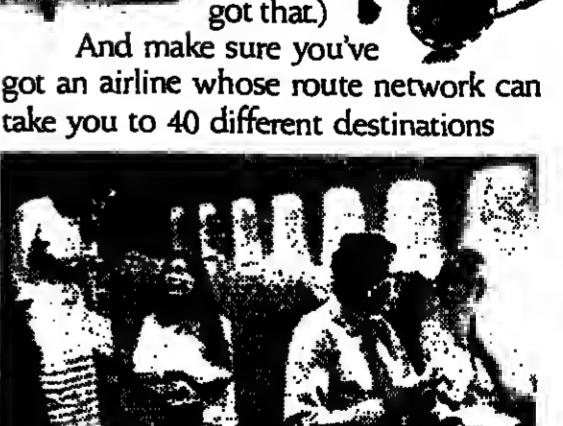
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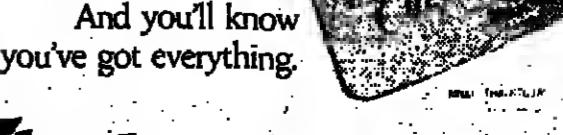
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Pope Shows Skill in Use Of Symbols, Television

By E.J. Dionne Jr.
New York Times Service

ST. CLEMENT'S, Manitoba — On Sunday, the eighth day of his 12-day journey through Canada, Pope John Paul II showed again that he is a master of the symbol, a religious leader aware of how to deal with the crowds that surge forward to touch him and the millions of invisible watchers he is reaching through television.

He sometimes gets his point across with a mere gesture: the kiss on a child's cheek, the gentle caress of an elderly person's deeply lined face. Sometimes he uses these skills to defuse crises, sometimes to provoke and challenge. Sunday, he did both.

The morning in nearby Winnipeg, the pope visited the Cathedral of Vladimir and Olga, a symbol for Canada's large Ukrainian Roman Catholic community.

In his prepared text, the pope spoke of the Ukrainians' "glorious history of faith," of the fact that the Ukrainian Church had remained united with Rome and could be a bridge to the Russian and Ukrainian Orthodox Churches. But he went beyond his text and decided to deal with one of the most painful issues for Ukrainians: the memory of Archbishop Josyf Slipyj, who died Sept. 7 at the age of 92.

Archbishop Slipyj, who spent 18



The Associated Press
Pope John Paul II greeting costumed Ukrainian women Sunday in Birds Hill, Manitoba.

years in a Soviet prison, died without achieving his goal of being named primate of all Ukrainians.

And he remained to his death a critic of the Vatican for its recent openings to the East bloc. He also criticized what he saw as the failure of the Vatican to defend the rights of Ukrainian Catholics with sufficient vigor.

Pope John Paul did not try to fulfill this history. But in the middle of his address, he broke off to pay tribute to the late archbishop as a man "who had suffered hardships not unlike those of Christ at Golgotha." He did not "break" the pope said. He was a "noble hero" who "gave his life for the good of the church and his nation."

The words did not resolve the historical dispute, but they eased feelings; they accomplished at least part of the pope's mission to the Ukrainians in Canada.

Then the pope came here, to Birds Hill Provincial Park, to celebrate Mass before about 200,000 people in a field surrounded by woodlands. As he has done before on this trip, the pope marched straight into a divisive political battle, this time over the language rights of Manitoba's French-speaking minority.

"We see how necessary it is to fulfill the Gospel message in order to succeed in harmonizing cultures in a pluralistic unity," he said. "In the civil order, too, the Gospel is at the service of harmony."

The pope urged Canadians "to live in mutual respect for the unique cultural identity of each other."

The message was clear to Manitobans: French language rights must be recognized. That he could draw cheers for a stand on a question that no doubt displeased some

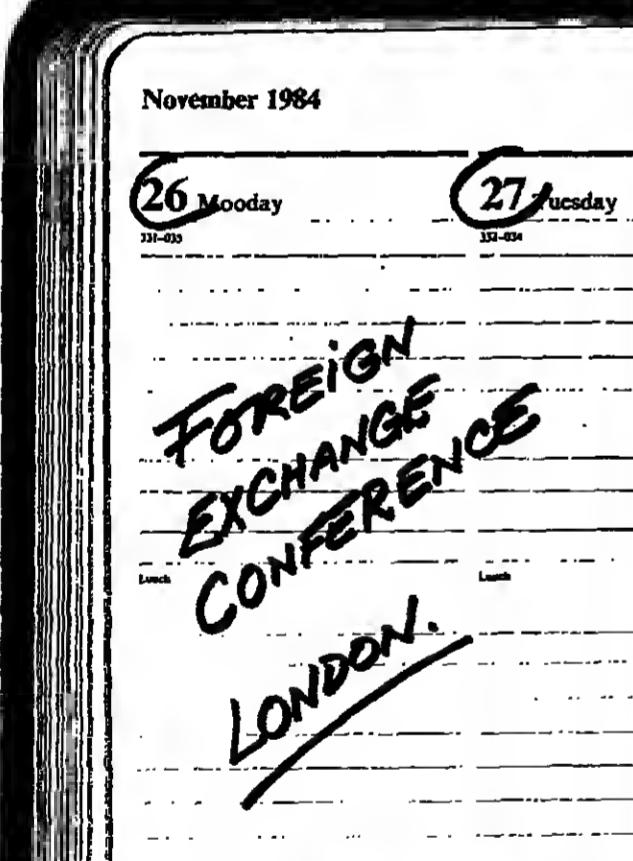
Philippines Army To Accept Report On Aquino Death

The Associated Press

MANILA — The chief of the Philippine armed forces said Monday that the military will abide by the findings of investigators who killed the opposition leader Benigno S. Aquino Jr., but he appealed to the public not to speculate on what the findings will be, the Philippine News Agency reported.

In a statement carried by the government news agency, General Fabian Ver made no comment on published allegations linking him and the military to the August 1983 killing of Mr. Aquino, President Ferdinand E. Marcos's chief rival.

"I appeal to everyone to exercise restraint in connection with the board's final days of deliberation," General Ver was reported as saying. "In the interest of truth, justice and fairness, the board should be left alone to finish its reports."



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Herald Tribune

INTERNATIONAL HERALD TRIBUNE, TUESDAY, SEPTEMBER 18, 1984

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U.S. Works in Moscow On Freeing 5 Americans

United Press International

MOSCOW — The U.S. Embassy said Monday it was working to secure the quick release of five detained Americans whose boat was seized last week by Soviet authorities in the Bering Sea.

The five crew members of the vessel Frieda K. were detained Sept. 12 and taken to the town of Ureliki on the Chukotski Peninsula, an embassy spokesman said. No reason for their detention was immediately given.

"We have not been informed of the reason for their continued detention," said Mark Smith, a spokesman. He added, "We have ascertained through direct telephone contact" that they are safe and well.

■ No Desire' to Hold Them

Earlier, Don Oberdorfer of *The Washington Post* reported from Washington:

The five crew members were reported Sunday to be in a Siberian hotel. A Communist Party official in Moscow said there is "no desire" to hold them captive.

Stanislav Menshikov, an adviser to the Central Committee of the Communist Party, predicted that the incident "will be solved very quickly to the mutual benefit of both countries." Mr. Menshikov, the son of a former ambassador to the United States, Mikhail Menshikov, was interviewed from Moscow on an ABC television program.

State Department officials said little is known about the circumstances under which the five men in a 120-foot (36-meter) supply ship were taken into custody Wednesday in a remote area where the Soviet Far East comes within 50 miles (80 kilometers) of Alaska.

The officials, who are going on the assumption that the ship strayed off course into Soviet territory, said the United States was informed by Soviet authorities of the incident Friday. The delay may have been caused in part by the remoteness of the area, they said.

The deputy White House press secretary, Robert Sims, said President Ronald Reagan was informed of the incident Saturday by Robert C. McFarlane, White House national security adviser. An administration official said there was displeasure at the White House that the information had not been provided earlier by either the Coast Guard or the State Department.

■ Soviet-Bonn Talks On Trade Put Off

Reuters

BONN — The Soviet Union told West Germany Monday it wanted to postpone trade talks planned in Bonn next week due to the death of a key Soviet official, the Economics Ministry said.

West German officials expressed understanding for the request which they linked to the death earlier this month of the Soviet deputy prime minister, Leonid A. Kostan-dov. He was to have headed his country's delegation at the talks Sept. 24-25.

The deferment closely followed the calling off of visits to West Germany by the East German leader, Erich Honecker, and the Bulgarian leader, Todor K. Zhivkov, which diplomats attributed to pressure from Moscow.

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Whose God Shall Rule?

Mario Cuomo's lecture last week at Notre Dame University masterfully stated a thoughtful politician's analysis of how his private religion guides his public life. He can be devout without imposing religious beliefs on others — not only can but must. Roman Catholics especially know from history that "to assure our freedom, we must allow others the same freedom." To employ the law to force one's religious conviction on others runs the risk that "they might someday force theirs on us."

Respectfully but with force, the New York governor thus reproached the bishops who keep challenging the way he and Geraldine Ferraro and others aim to reconcile their faith and their politics. Reading Scripture in the preachers, he declared, "Physician, heal thyself" — don't ask me to invoke the law to compensate for the failure of your teaching even with your own flock.

Mr. Cuomo defends more than himself or American tradition. He defends the precious but only recently won freedom of Catholics in aspiring to any office, free of the suspicion that they are accountable for their public acts not only at the ballot box but in the confession booth. It might as well be said bluntly. For all the cynical encouragement they are getting from some quarters this year, the Catholic bishops' effort to impose a religious test on the performance of Catholic politicians threatens the hard-won understanding that finally brought the United States to elect a Catholic president a generation ago.

"I do not speak for the church and the church does not speak for me," John F. Ken-

nedy was forced to say, and show. Do the bishops not value the tolerance thus achieved?

Governor Cuomo also gave much richer, and much safer, meaning than did President Reagan to the slogan that "religion and politics are inseparable."

Of course morality guides law and politics, he observed. Murder and theft were proscribed by Scripture long before they were prohibited by law. But especially in America, only a consensus of the society's many faiths can be allowed to transform religious doctrine into law, for without consensus one religion would have to prevail over others by force. If it were the duty of Catholics to forbid abortion even if other faiths deemed it permissible, why not also forbid birth control and divorce? And why demand that the police enforce a teaching that even many Catholics refuse on its own?

And why in any case, Mr. Cuomo asked, do the bishops raise the abortion debate to such a pitch and let it override issues such as nuclear war and life-sustaining aid to the poor?

Mr. Cuomo's lecture, and an equally considered statement by Senator Edward Kennedy, may cool this dangerous church-state debate. Governments in America exist to record the agreements and to restrain the disagreements of every faction. They are not the instruments of enforcing religious rules on any faction. There lurks grave danger even in the more generalized campaign slogan that the United States needs to be a "Christian" nation. As Mr. Cuomo asked — and non-Christians aside — "whose Christianity would be?"

— THE NEW YORK TIMES.

What the Polls Are Saying

Ronald Reagan is ahead by 30 points, one reads. No, his lead over Walter Mondale is just 16 points, another report asserts. Both assertions refer in polls taken during approximately the same period, in an election between the same two candidates, among respondents who have been exposed to the same information. Are some, or all, of the polls vastly wrong? Is public opinion exceedingly volatile? Or is there some other explanation for the discrepancy?

There is, if you read the polls right. The first thing in understand is that in a poll that matches a well-known incumbent with a far less well-known challenger, the important result is not the margin between the two candidates but the percentage of the vote the incumbent is getting. Those unwilling to vote for such an incumbent — particularly when, as now, he is a president running in times of peace and prosperity — can be assumed to be in the market for another candidate.

In a recent Los Angeles Times poll in which the president's lead was 30 percent, his share of the vote was 60 percent. In a Washington Post-ABC News poll last week in which the president's lead was 16 percent, his share of the vote was 56 percent. Given margins of error of plus or minus 4 percent, 60 and 56 percent are not very different. You could characterize Mr. Reagan's showings, given the unavoidable imprecision of polls, as "middle to high 50s." By comparison, the president's percentages in a series of polls taken in June and July ranged from 49 to 56 percent: "50 or so." A sensible conclusion is that Mr. Reagan, in his drive to get more than 50 percent of the vote, is "roughly 5 points" better off than before the two parties' conventions and the

much more widely watched Olympic Games.

Where does that leave Walter Mondale? Does he have 33 percent of the vote, as the Los Angeles Times says, or 40 percent, as The Post poll has it? The difference is significant statistically, but not politically. Voters do not know Mr. Mondale as well as they will when they make their choice in November, and in the 20th century every major party nominee in a two-candidate race has gotten at least 38 percent of the vote; no one expects Mr. Mondale to do worse than that.

Challengers almost always narrow the gap in polls, unless they make egregious mistakes. So as the campaign goes on, expect the Mondale percentage to rise as wins over at least some undecided voters who have been looking for an excuse to vote against Ronald Reagan. The key question for Mr. Mondale is: Can he, for circumstances, or declining consumer confidence, or something) lower the Reagan percentage below the 50-percent level?

To that question no pre-election poll can give a definitive answer. Polls are, as the pollsters like to say, snapshots of opinion at one moment in time — snapshots, moreover, that are inevitably fuzzy. Though they provide useful clues to what voters think and believe, and though there is no reason to believe that the major public polls are "wrong" they should not be confused with predictions.

Do not think we are offering these views by way of saying things are not so bad for the Democrats just now. They are: The polls do not have to be predictions to constitute terrible news for Walter Mondale. What they say is that at this moment, he is in awful shape.

— THE WASHINGTON POST.

A Tough Choice on Steel

So far so good. Last week President Reagan sensibly refused to grant trade protection to the depressed copper mines, arguing that the gain in jobs and profits would be greatly outweighed by the losses to domestic manufacturers and consumers who use the metal.

But copper was only a sideshow in the big steel case the White House must decide this month. And, in this case, the Americans lobbying against protection seem no match for the groups lobbying in favor. The steel decision thus becomes a pure test of Mr. Reagan's willingness to bear the election-year wrath of a powerful interest for the sake of the long-term health of the economy.

Despite their decade of retrenchment, it is hard to be optimistic about the future of the big, integrated iron and steel producers. Total demand has been stagnant as users of steel have switched to lighter, cheaper, or more versatile materials. And, as countries with low wages and little concern for local environments enter the world steel market, the competitive position of American (and also European and Japanese) makers continues to erode.

That leaves the United States with polar choices. It could accede to the wish of domestic steel makers to stabilize employment and increase profits by reducing imports from about 25 percent of the market to 15 percent. Or it could let imports grow, gradually reducing domestic steel-making capacity to a modern, low-cost core production of perhaps three-fourths of the current output.

— THE NEW YORK TIMES.

FROM OUR SEPT. 18 PAGES, 75 AND 50 YEARS AGO

1909: The Cape's 'Magnetic' Rocks

LONDON — A despatch from Capetown [on Sept. 17] states that the fact that the wreck of the *Umihali* took place in proximity to the spot where the *Maori* was lost has given rise to the suggestion that there is a possibility of the iron and ore mountains, not far distant, possessing a strong magnetic influence. An old coasting skipper reports having noticed a deflection and variation of the compass to such an extent as to put his vessel on the rocks. These catastrophes are taken as illustrating the dangers to vessels hugging the coast at this part, and it is pointed out that the Union-Castle liners invariably make a wider circuit.

1934: Sicily's 'Luminous' Woman

VENICE — At a meeting of the Radio Biological Congress, a report on the "luminous" woman of Piraino, whose ability to give off a bluish-white light from her body has puzzled scientists, was read. The report said: "At 10:30 P.M., there appeared a glow of bluish-white light which seemed to come from the patient's chest and lit up her neck and face in such a way as to show up her features. But the light threw no shadow. At the same time the woman moaned: 'Jesus, help me!'" The phenomenon lasted a second, during which time a photograph was taken. But when the photograph was developed it showed nothing.

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For Public Morality, Not Public Religion

By Henry Steele Commager

AMHERST, Massachusetts — The great tradition of American churchmen, from William Ellery Channing and Ralph Waldo Emerson and Theodore Parker to Washington Gladden, James Cardinal Gibbons and Reinhold Niebuhr, is that of the moral crusader. They preached public morality, not public religion. No one can question the right of, or the duty of, churchmen of all denominations today in preaching morality and religion: It is when they connect morality with a particular brand of religious faith and this, in turn, with political policies that they venture into troubled waters.

It is precisely here that the so-called Moral Majority and the Roman Catholic Church have been successful beyond all expectations — and bounds. They have managed to inject religion into politics more wantonly than at any time since the Know-Nothing crusade of the 1850s, and to enlist President Reagan as spokesman. It is a title he would no doubt repudiate, yet by identifying religion with morality, and morality with politics, he has challenged the spirit of constitutional restrictions on the alliance of church and state, and almost recklessly invited renewal of enmities that Americans were the first to forsake. It is the freedom from these that has been the most conspicuous feature of the American experiment in union and democracy.

We tend to forget that separation of church

and state and rejection of religious establishments were, in the 18th century, the most revolutionary experiment on which the new United States embarked. It commanded more attention than creation of the new nation or the rejection of colonialism. No other Western nation had ever tried so recklessly an experiment.

But the Founding Fathers knew what they were about: They wanted peace and harmony in a society dangerously heterogeneous. They did not resort to subtle arguments or elaborate legal provisions but contented themselves with the general principle — one that is subject, as James Madison observed, to a variety of interpretations. But the principle itself was clear. John Adams put it bluntly: "Congress shall never meddle with religion other than to say their own prayers and to give thanks once a year." Furthermore, Madison asserted that "the Constitution does not create a shadow of right in the general government to intermeddle with religion." In the Constitutional Convention, Charles Pinckney, a staunch Episcopalian, proposed the simple provision that "the legislature of the United States shall pass no law on the subject of religion." Clearly, what the Framers had in mind was more than separating church and state: It was separating religion from politics — religion, not morality, for the Framers were almost to a man high-minded moralists.

They were not like the distinguished political philosophers of the Old World: Rousseau in France, Burke in England, Kant in Prussia. They were practical and hard-headed. John Dickinson of Pennsylvania spoke for all: "Experience must be our guide, theory may mislead us." Just what Joseph Story, Chief Justice John Marshall's successor as the greatest of American constitutional interpreters, said in his "Commentaries": The clause prohibiting any religious test for any office "is not introduced for the purpose of satisfying the scruples of many respectable persons. It had a higher object: to cut off forever, every pretense of any alliance between church and state in the national government."

Americans should not get bogged down in constitutional or legal controversies on this fundamental issue, but strive to fulfill the ideal of the Framers — to create and maintain a political system that, so far as possible, establishes justice and ensures domestic tranquillity. To do so, we should resort to experience.

What influence, Madison asked, have "ecclesiastical establishments had in the past? They have

been seen to erect a spiritual tyranny on the ruins of civil authority; they have upheld the thrones of political tyranny; in no instances have they been the guardians of the liberties of the people. A just government, instituted to secure and perpetuate the public liberty, needs them not."

We Americans must be clear about our own logic, which is pragmatic, not speculative. We do not limit prayer in public schools or forbid religious "tests" because the Constitution so provides; the Constitution so provides because experience taught its Framers that such actions would menace society's peace and harmony.

The Founding Fathers were, most of them, deeply versed in history. They were familiar with the tragic century-long religious wars that tore the peoples of Britain, Germany and France apart. They were descendants of pilgrims and puritans who found refuge from religious persecutions and of Scottish dissenters. They were all familiar with the Anglican Establishment in at least five American colonies. They were determined that neither religious privilege nor bigotry should ever ruffle the surface of American life.

What is almost miraculous is that the measures they took to avoid all this worked — the mighty Edmund Burke had pronounced it impossible. The new nation managed to welcome and incorporate peoples of every nation and faith and somehow to maintain religious peace and harmony. Americans have never had a religious war, nor even persecution on the Old World scale. There has been prejudice, harassment, ostracism of Catholics, Mormons, Jews and Jehovah's Witnesses, but no one has been sent to the stake or imprisoned or exiled or — since the 1830s — tried for blasphemy; nor have any, except temporarily the Mormons, been denied civil and political rights on religious grounds.

We Americans have, to our shame, indulged more persistently than most civilized nations in racial and ethnic bigotry, and we have paid and are still paying a bitter price for those sins. But we seem to have known, by an instinct rooted in our colonial experience, that we cannot afford a comparable religious bigotry, and that we cannot afford the meddling of religion in politics.

Reason, experience and common sense counsel us to cultivate, in this arena, wisdom, patience and magnanimity — and to hark to Winston Churchill's admonition that "the idea of governments is first of all to be practical."

The writer, emeritus professor of history at Amherst College, is author of "The Empire of Reason" and numerous other books. He contributed this comment to The New York Times.



Ethiopian Jews Are Dying: Why Doesn't Israel Help?

By Simcha Jacobovici

TORONTO — At least 1,300

black Ethiopian Jews, mostly children, have died in the past five months in refugee camps outside Ethiopia in the Horn of Africa. In Israel, the Action Committee for Ethiopian Jews, representing about 7,000 of them living there, charges that the government and world Jewish community could have saved them.

In Jerusalem, Babu Yakov, a leader of the Ethiopian Jews, says: "The Jewish community in Ethiopia itself has virtually disintegrated. Only 8,000 remain. Those who could not flee are old, sick and infants. Those least capable of defending themselves are now facing their enemies alone."

The enemies are other Ethiopians who have long hated the Jews and now prey on them unhampered. He says that, in addition, there are 11,000 in refugee camps, where some 10 to 15 die every day.

Vitzhak Shamir, who was still prime minister, asserted in a meeting in July with Mr. Yakov and four other Ethiopian Jewish leaders that "Israel is making every effort to save the Jews of Ethiopia." He blamed the meager rescue results on the intransigence of the Ethiopian government, which has no formal diplomatic relations with Israel, and on "logical difficulties." But Mr. Yakov disagrees. He says that this summer Addis Ababa has been sending unmistakable signals that it is ready to negotiate evacuation of the 8,000. It is the Israeli government, he charges, that has shown little interest in se-

mending their freedom from Ethiopia.

The facts support him. For example, in July, Malcolm Rifkind, minister of state at the British Foreign Office, met with Ethiopian ministers in Addis Ababa. In a statement Aug. 2, Mr. Rifkind said the ministers "admitted there had been problems in the past but assured me that there was now no impediment in the way of

the Ethiopians are sincere in their willingness to allow full emigration, since no government anywhere has publicly taken them up on their offer to let the Jews go.

In June, 1,000

Ethiopian Jews

demonstrated against Israeli govern-

ment apathy in the face of the refugee

camps deaths. Because topics per-

taining to covert rescue are subject to

military censorship, the media were

allowed to report the demonstration but — incredibly — were not allowed to say why it took place.

Officials such as Yehuda Dominitz, director of immigration and absorption of the Jewish Agency, which handles immigration, argue that publicizing mortality rates in the camps outside Ethiopia would draw undue attention to the issue and endanger secret Israeli rescue missions. He argues that all outsiders should steer clear of the matter. Independent relief programs, he says, impede Israel's efforts to help the Ethiopians.

The net result is that in April, May

and June, while 868 Ethiopian Jews

died, not only were none rescued by

Israel but also all major Jewish orga-

nizations, including the World Jewish

Congress and Joint Distribution

Committee, chose not to provide any financial, medical or food aid.

Susan Schecman, director of the Canadian Association for Ethiopian Jews, based in Toronto, alludes to the Holocaust in explaining why her organization chooses to disregard the Domizit line. How can any reasonable person believe that sending food to starving Jewish refugees impedes rescue efforts? The Jewish world watches in silence while hundreds die each month. We take the words "never again" very seriously."

Though Israel's Ashkenazi and Sephardic chief rabbis ruled in 1974 that the Ethiopians are indeed Jews, the Orthodox establishment insists that, since the community's historic origin is unknown, circumcised Ethiopians must undergo ritual circumcision once in Israel; 3,000 have refused this traditional indignity.

Ethiopian Jews in Israel are becoming increasingly desperate. In the past year, 10 have committed suicide. Some have threatened to set themselves on fire in the Knesset to protest government indifference.

What is needed now, along with medical and food relief, is a mass rescue effort from the camps and from Ethiopia. This will occur only if it is demanded in Israel and abroad.

Not necessarily. The ripening of what the Chinese call "the peaches of longevity" includes the slowing of aging. Most of our grandchildren will not begin to suffer the wrinkles and aches of middle age until their 80s and not have to put their choppers in a glass until they are 120. This is not Buck Rogers.

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A SPECIAL REPORT

TUESDAY, SEPTEMBER 18, 1984

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MICROCOMPUTERS* IN WESTERN EUROPEAN BUSINESS/PROFESSIONAL SECTOR
PROJECTED UNIT SHIPMENT GROWTH BY COUNTRY, 1983-1989

| | 1983 | 1984 | 1985 | 1986 | 1987 | 1988 | 1989 |
|----------------|---------|---------|-----------|-----------|-----------|-----------|-----------|
| United Kingdom | 152,220 | 229,040 | 304,305 | 426,100 | 615,068 | 859,479 | 1,138,369 |
| West Germany | 111,550 | 162,394 | 228,783 | 320,271 | 459,863 | 655,232 | 910,430 |
| France | 77,550 | 121,073 | 180,329 | 286,283 | 439,558 | 639,947 | 891,900 |
| Italy | 50,940 | 86,529 | 126,191 | 189,819 | 282,241 | 409,708 | 570,138 |
| Spain | 15,780 | 35,695 | 73,691 | 131,740 | 215,266 | 338,362 | 508,731 |
| Sweden | 23,970 | 39,996 | 60,041 | 87,551 | 129,737 | 192,219 | 277,339 |
| Netherlands | 18,520 | 32,086 | 52,447 | 80,459 | 120,044 | 174,479 | 245,533 |
| Norway | 8,850 | 14,680 | 23,387 | 37,271 | 59,143 | 91,308 | 135,599 |
| Switzerland | 10,840 | 18,291 | 27,309 | 40,532 | 60,508 | 89,538 | 128,135 |
| Denmark | 11,360 | 18,016 | 24,926 | 38,561 | 59,014 | 87,356 | 127,123 |
| Belgium | 10,880 | 17,289 | 25,185 | 37,450 | 54,762 | 78,105 | 109,249 |
| Austria | 8,150 | 13,635 | 19,189 | 27,156 | 38,928 | 56,481 | 80,961 |
| Ruiland | 11,210 | 18,780 | 22,527 | 29,830 | 41,508 | 58,515 | 80,777 |
| Ireland | 4,090 | 8,152 | 13,915 | 22,641 | 36,077 | 53,353 | 74,272 |
| TOTAL | 516,270 | 815,656 | 1,182,225 | 1,887,404 | 2,612,717 | 3,784,082 | 5,278,558 |

* Includes 8-bit and 16-bit personal computers as well as small multiuser systems supporting up to four users.
Source: International Data Corporation, France.



European Industry Is Beginning to Meet the Home Demand

By Ámeli Kornel

PARIS — After more than a decade of doubt, Europe is gaining faith in the microcomputer. European computer makers, only recently converted to the gospel of "small is beautiful," are awakening to the growing professional and consumer demand for table-top business and home computers.

"There are still many people who are allergic to micros," said Thi T. Truong, president of Total Telematics Technology, a microcomputer consultancy in Paris. "But they will have to get used to them... 1984 is the year of the explosion."

Europe and microcomputers have come a long way. In the early 1970s, when all computers were big and expensive and reserved for a select priesthood that alone was capable of mastering the machines' arcane operation, a few voices could be heard across the Continent heralding the dawn of the microcomputer age. They were greeted with skepticism and derision.

"I was called a charlatan," said Bruno Lussato, who, in 1973, was

perhaps the first person to write about the potential social and economic benefits of small, easy-to-use computers.

Lussato was a visionary," Mr. Truong said, "but he was preaching in the desert." Mr. Truong should know. He was scorched by the same indifference that met Mr. Lussato, a professor of informatics at the Conservatoire National des Arts et Métiers in Paris.

In 1973, Mr. Truong announced in France the production of the world's first commercially available microcomputer. Mical, Mr. Truong and Mr. Lussato were among a handful of people in Europe and the United States who saw that computing could be decentralized, simplified and made less expensive with the microprocessing chips pioneered by Intel in 1971.

But Europe turned a blind eye to his invention and it was only 10 years later, after U.S. and Japanese companies had overthrown the marketplace, that the Continent began to have second thoughts about the product's promise.

"Old Europe began to believe in

microcomputers in 1984," Mr. Truong, 48, said in a recent interview. "In 1973 people didn't believe. We were accused of being 'bicyclists' (hobbyists)."

European skepticism has diminished with the increasingly rapid growth in demand for microcomputers. Most of the three million microcomputers in Europe were installed during the last 12 months. A study completed in July by Butler Cox and Partners, a British-based management consultancy, found that 50 to 80 percent of medium to large European organizations now have some sort of policy concerning the use of microcomputers.

According to a study completed in August by IDC-Eropa, the London-based subsidiary of International Data Corp. of the United States, just over 516,000 professional microcomputers, valued at about \$2 billion, had been sold to businesses in Western Europe by the end of 1983. About 1.8 million such machines had been installed in the United States by then.

IDC predicts that by 1989 the European professional market will

have grown to 10 times the 1983 level, to almost 5.3 million machines worth about \$16 billion.

Home computers had reached 2.5 million European households by the end of 1983; 10 million machines, four times the European level, had been installed in the United States, IDC expects the European figure to rise to about 4.5 million by 1989.

The meager level of home computing in Europe becomes particularly apparent when Britain's two-thirds share of the market is separated out.

Britain also leads the pack for business microcomputers, accounting for 29.5 percent of the units sold in Europe in 1983. West Germany follows with a 21.6-percent share of the market, and France and Italy have installed 15 and 9.9 percent respectively of the European professional microcomputer base.

U.S. computer makers have established an unequivocal supremacy over the European professional microcomputer marketplace. Sinclair Research has had major success throughout Europe in the home computer market.

of the market. Computers by U.S. companies such as Commodore, Apple, International Business Machines and Tandy are finding their way into European businesses.

Many European computer companies have, nonetheless, succeeded in holding on to significant shares of their own domestic markets. Italy's Olivetti, Britain's Applied Computer Techniques, Sweden's L.M. Ericsson, and Bull-Micral and S.M.T. Goupil in France each commands 10 percent or more of the professional markets in their own countries. Among home computer makers, France's Thomson and Britain's Acorn and Olivetti have defended themselves well on local turf.

In terms of the pan-European market, few companies have had much success outside their country's borders. In business computers, only Olivetti and Applied Computer Techniques have captured a significant market share both at home and abroad. Britain's Sinclair Research has had major success throughout Europe in the home computer market.

But, spurred on by estimates that microcomputers will account for half of all computer sales by 1990, manufacturers are determined to become more aggressive at home and abroad.

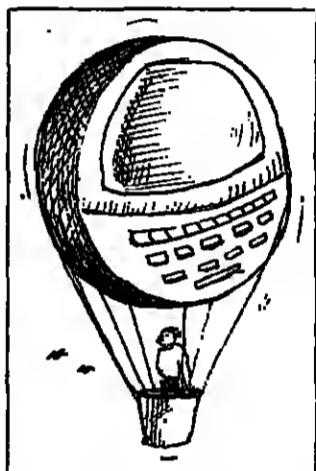
"We are conscious that for this market one needs to be European [in outlook]," said Yves Durieu, head of marketing for Thomson's home microcomputer subsidiary.

"Thomson wants to have a European strategy."

"One must not consider microcomputers as a minor part of computing," said Georges Seban, president of Bull-Micral, the microcomputer subsidiary of France's giant computer manufacturer. Microcomputers have become a "major axis of development" for Bull in the last year, he added. Bull's microcomputer is a direct descendant of Mr. Truong's earlier machine.

"A nagging question remains: Why, given the machines' early development here, have European computer manufacturers been slow

(Continued on Next Page)



Winners, Losers: Vying for Power in Volatile Business

By Stephen T. McClellan

NEW YORK — This decade is witnessing the beginning of a startling change in the computer industry. The structure of the industry — a structure that prevailed largely without change in the 1960s and 1970s — is coming undone. The forces causing this transformation, this fragmentation, are technological, economical and societal.

The shakeout has begun — and it will be a permanent condition. One of the most important elements behind the upheaval is the microcomputer revolution.

Microcomputers, personal computers, small-business and desktop computers are becoming a powerful force in the industry that could eventually outstrip mainframes and minicomputers in terms of installed base. The current wave is resulting in a new breed of companies, new management styles and unique corporate cultures. Inherent in the microcomputer revolution is a technological glut — too many products, too much advertising, too many magazines, too much promotion.

More than 8 million personal computers were shipped in 1983, with almost 150 companies involved. The top four — IBM, Apple, Tandy and Commodore — held 56 percent of the market. There were 2,000 retail stores in the United States distributing microcomputer products, and almost as many in Europe. The market for all computers priced at less than \$10,000 was worth \$8 billion last year. It should expand by perhaps 40 percent in each of the next few years. Three-quarters of this business is office computers.

In the office, less than 20 percent of all white-collar workers now use a computer. By 1990, the figure is expected to reach 50 percent. Corporations listed on the Fortune 1000 list are rapidly spreading personal computers throughout their offices. Such a computer in the office at first was a status symbol, a showpiece. Now it is becoming as mundane a tool as the telephone.

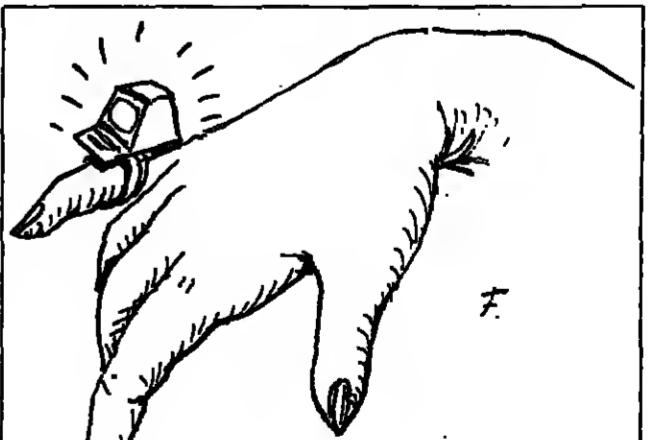
There is no doubt that the personal computer business is in the prime of life. It is growing by leaps and bounds. There are success stories such as Compaq, which went from zero sales in 1982 to \$111 million in 1983 and more than \$250 million in 1984, a record in business history. At the November 1983 Comdex show in Las Vegas there were 5,000 company booths. Such a glut could spell destruction for the whole market.

It is this jarring contrast of seemingly unlimited market potential and the harsh, limiting realities of the industry that give the personal computer business its reckless character. Many companies have appeared on the scene, gone public and made millions for their founders. But that is history. The future leads to bankruptcy or, if they are lucky, possibly ad acquisition by a larger company.

IBM PCs will comprise about 7 percent of revenues, or \$4 billion in sales during 1984. Microcomputers will account for more than 10 percent of the company's business in 1985.

To latch on to the personal computer boom, IBM did not do anything spectacular; it just did everything right. The company realized that the market was not looking for a unique machine. The more humdrum, in fact, the better. The IBM PC is unspectacular and matter-of-fact. IBM barely makes the machine. But suddenly, after playing no role whatsoever in its creation, IBM is at the center of the personal computer business. The question is no longer whether IBM will dominate; the question is how much room will be left for everyone else. IBM's brilliant performance in personal computers is only a prelude to things to come.

Stephen T. McClellan, chief computer analyst for Salomon Brothers, is the author of "The Coming Computer Industry Shakeout: Winners, Losers & Survivors," published by John Wiley & Sons Inc.



A Services Industry Blooms to Feed Micro Boom

By John L. Wolfe

WASHINGTON — The microcomputer boom offers the computer aficionado a rapidly growing roster of services. While most consumers acquire a microcomputer for its educational, entertainment and organizational values, more and more users are anxious to explore the developing world of online communication services. The greatest number and variety of systems are in the United States.

"The computer is basically a U.S. invention," said Richard Adler, a research fellow at the Institute for the Future, a California think tank. "The concepts for time-sharing and data-base networks were all developed here and have just recently been introduced in Europe."

This translates into a higher percentage of U.S. consumers with personal computers and a larger, more affluent market for developers of computer services.

In the United States, 7 percent of the nearly 8 million computer households have communication capabilities, according to The Yankee Group, a Boston research and consulting firm. The Yankee Group estimated that 40 million U.S. households would use personal

computers by 1990; more than 30 percent of those, the firm says, will be equipped for communications. The percentage of business computers able to communicate is expected to be even greater.

The Source, two computer time-sharing services, have captured most of the residential online data-base market in the United States. Both companies offer services ranging from banking, brokerage and financial news and research to electronic mail, classified advertising, horoscopes and dating services. CompuServe, and the Source attempt to position themselves as information "utilities," and hope to cater to the personal-computer buff who uses the machine primarily for entertainment as well as the professional customer using the data base for business.

At the moment, however, most network subscribers are computer enthusiasts using their machines at home, and the large time-sharing services have structured their data bases to reflect this.

Although the software is free, the Source is not. Subscribers pay a \$49.95 sign-up fee, and \$20.75 for each hour spent on-line during the day. Evening and weekend rates are lower.

The service has two bands; each band has 40 channels. Several channels are open, enabling anyone to join the on-line conversation or to "lurk," which is CompuServe slang for watching the conversation without participating. Many other channels are used by groups with common interests. For example, one is primarily for teen-agers, another for long-time CB Simulator users (whom Mr. Baker called the "Old Guard"). Others can be used for more private discussions.

(Continued on Page 15)

CompuServe, also a subscription service, claims about 135,000 customers, who pay a sign-up fee of about \$40 and fees of \$12.50 an hour.

The most innovative — and by far the most popular — service on CompuServe is CB Simulator, an electronic communication network modeled on citizens band radio. CB Simulator is a form of computer conferencing, and has "fostered the growth of a culture all its own," said Richard Baker, CompuServe director of corporate communications.

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(Continued on Page 15)

have been the principal selling points in a business marketplace characterized by hundreds of startup companies, price cutting and a buying public that seems to have an insatiable appetite for more computers.

Framework is characteristic of the new style of integrated software applications available for personal computers. These programs permit users to move much more quickly between different tasks, and, because the new 16-bit personal computers have many times more random access memory than their 8-bit predecessors, the programs run many times faster.

Framework has also included what its designers call an "outline processor" in the package. This permits one to sketch an outline of topics before one begins working on a document. Each topic can be contained in a separate frame that is automatically chained to other topics in the document.

Computers such as Star and Lisa, and now the Macintosh, are the first personal computers to take advantage of high-resolution graphics for business applications. The previous generation of desktop microcomputers was based on terminal display capable of showing only individual characters, not graphics. Now high-performance

microprocessors like the 68000 have made it possible to combine text, graphics displays and even animation, thus paving the way for increasingly powerful software.

Macintosh, for example, has made possible a variety of new types of software, designed specifically to take advantage of its high-resolution display. Filevision, introduced for the Macintosh by Telos Corp., allows the user to create a database by working with a graphics editor. It is possible to begin by defining a map of the United States on the screen and then link fields of data to each individual state. Later one can automatically create charts by sorting the data in different ways. Filevision automatically highlights selected states.

Another remarkable program for the Macintosh has been developed by Thunderware in Orinda, California. This program, in conjunction with a special optical sensor, turns the Macintosh into a high-resolution digitizer. It makes it possible to scan virtually any document so that it can be displayed on the computer's screen and integrated with other text and graphics documents.

Filevision, which is already available for the IBM PC.

To aid in its marketing battle with Lotus, Forefront has enlisted the aid of another major software company, Ashton-Tate, which has undertaken the task of marketing Framework. Recently, Ashton-Tate and Lotus have been fighting it out with expensive network television commercials, a sure sign that integrated business software is becoming a major factor in the personal computer market.

Framework and Symphonies have slightly different audiences. Ester Dyson,

A SPECIAL REPORT ON COMPUTERS

Customers Resisting Electronic Distribution of Computer Software Programs

By Larry Kahaner

WASHINGTON — Despite the shakeout in the software industry, thousands of computer programs are still fighting for space on retailers' shelves. And the battle will continue despite new ways to distribute software that could make large inventories unnecessary.

Electronic distribution of computer programs is technically possible now, but its growth is being thwarted by consumer resistance and by retailers who feel threatened by a system that could eventually bypass them.

In one method, a customer decides which programs he wants, and the store clerk inserts a blank disk or cartridge into a machine. He calls a main distribution number and the program is sent over the telephone line and loaded onto the disk or cartridge. The customer can return the disk or cartridge and

have it reloaded when an updated version of the program becomes available.

The possible problem of unauthorized use of a program is often handled by encrypted software that can be unscrambled only by sophisticated decoders installed between the phone line and the computer.

Taking the next logical step, some systems send programs directly to customers. The main advantage of direct-to-user software transmission is that potential customers can test a short version of a program at home before buying it. If they like the program, they can buy the whole thing. Such trial programs can only be used once, then are designed to disappear.

Only a few companies, perhaps half a dozen or so, have tried one or the other system; even fewer have survived. Distributors did not

count on the marketing fallout of such unconventional delivery systems. For one thing, all programs receive equal treatment in the potential buyer's eye — because they are chosen for a computer screen — and that does not sit well with large software houses that have fought for and won prime shelf space.

These companies balk at signing electronic distribution agreements that would strengthen competition.

Further, the software-boying public has become used to seeing bright, colorful boxes and displays in retail stores, and the software makers are learning how to sell their wares like other consumer products. Those who have been promised air packaging and promotion do not want to give an edge to a slower-running competitor.

In addition, if a software publisher chooses direct-to-user distribution, he faces retaliation against

his products by retailers who see the plan as taking away their business.

The crucial drawback, however,

is the problem of supplying documentation. Most computer programs require lengthy manuals in order to be useful. The only way to distribute these directly along with the program is to use a printer, a rather time-consuming and expensive proposition. To overcome that hurdle, PC Telemart, a company in McLean, Virginia, plans to deliver documentation using overnight package delivery services.

The company retains retailers in the selling sequence and splits profits with them. So far, however, PC Telemart's system of terminal kiosks in retail stores has been a flop, mainly because consumers continue to choose colorful packaging over a computer display.

Still, there is optimism that electronic software delivery will eventually succeed. "Electronic distribution will happen; it's just too early," said Gary Arlen, president of Arlen Communications Inc., a consultancy firm in Bethesda, Maryland. "There's no clear definition yet as to what will make it acceptable."

For the most part, forays into electronic distribution have focused on sending games to home computers. Because people get tired of playing the same game, especially after they have mastered one, frequent over-the-phone distribution makes sense.

Control Video Corp. of Vienna, Virginia, hopes to capitalize on the more than 12 million Atari home computer owners by offering them a flurry of games retrievable over phone lines. A Control Video GameLine customer buys a master module for \$59.95. It contains a modem, two memory devices and an automatic telephone dialer. For

a one-time fee of \$15, the subscriber receives a master file of video game instruction and a year's subscription to a magazine containing a list of games available and instructions for games introduced each month. Multiple game sessions cost about \$1, or 10 to 15 cents a play.

William von Meister, president of Control Video, sees the games as a foot in the door of home delivery for all types of computer software. "What we learn distributing games will help us to distribute other forms of software," he said.

Distribution is not limited to phone lines. Atari and Activision Inc. plan a joint venture to transmit video games to households using radio subcarriers, the unused portion of a radio channel now employed by background music services such as Mizra.

The service, planned to begin later this year, will broadcast games to

owners of the Atari 2600 player. It is hoped that the system will be expanded to distribution of other computer software, especially educational programs.

Another venture, the Games Network in Los Angeles, recently completed testing of software transmission over cable TV systems. For about \$16 a month, subscribers in Orange County, California, are offered a selection of 20 games, with at least five new ones each month.

The success of remote distribution of computer programs hinges on marketing and price, rather than technology. PlayCable, a joint venture of Mattel Inc. and General Instrument Corp. formed in 1980, recently closed shop mainly because of the glut of video games and the public's unexpected drop of interest in playing games. The Games Network and others hope to revive that interest with a frequent,

fresh supply of challenging games at low prices.

Right now, software retailers are safe from competition from direct-to-user electronic distribution. They dismiss the greatest plus of electronic distribution — a chance to test-run a program under actual conditions before buying it — as not critical. "I can give a test to any customer who walks through the door," said John Walker, owner of a computer program store in Washington. "Besides, they know they can come to me with problems."

Bill Engleman, manager of the Software Shoppe in New York, believes that consumers are still wedded to old buying habits. "They want to pay for something and walk out with it," he said. "They want to see it and hold it. Until that changes — and I guess one day it will — most software makers won't see a market for electronically distributed software."

Richness and Depth Characterize New Generation of Computer Games

By Scott Mace

MENLO PARK, California — The success of a handful of computer games points the way to the future of high-tech entertainment. These games run out on the multi-million-selling game machines of the early 1980s but on home computers such as the Commodore 64 and Sinclair Spectrum, as well as on office computers such as the IBM Personal Computer. And they have a richness and depth heretofore unseen on TV screens. The longer a given personal computer is on the market, the more tricks programmers of games learn to produce sought-after features such as better graphics, play action and unpredicability.

Leading the way is Flight Simulator, developed by Bruce Artwick's SubLogic Corp. of Champaign, Illinois. Mr. Artwick's program holds both the No. 1 and No. 2 sales positions on Billboard magazine's Computer Software Top 20 for entertainment programs: SubLogic sells one version of the program for Apple, Atari and Commodore computers, and Microsoft Corp. of Bellevue, Washington, sells versions for the IBM PC and PCjr, containing more detailed graphics and sophistication than SubLogic's versions.

Mr. Artwick said Flight Simulator's success was due to public interest in flying, although most players of the game have never taken

flying lessons. In the game, the computer re-creates the cockpit of a small airplane, complete with banks of instruments comparable to the real thing, and a view of real airports and landmarks such as the Empire State Building. The game is a "real-time" simulation of a flight across the United States, with possible landings at hundreds of airports. The player has to pay attention to the controls at all times, or risk crashing the plane.

Mr. Artwick said some people who bought the game later took flying lessons and got pilot's licenses. For them, and for experienced pilots brushing up on their skills, Flight Simulator is as much a training tool as it is a game.

The new games also have longer play value than earlier games. Mr. Artwick said players of Flight Simulator could start by doing simple flying stunts, then progress to harder tasks and even a simulated aerial dogfight. Getting tired of the game "could take a period of a few months, if you were playing continuously," Mr. Artwick said.

Another popular sports game in the United States is Summer Games, from Epyx of Sunnyvale, California. As computer games mature, their themes have become more important, and the theme of multiple sports in one package was a natural for the Olympics year. Like Flight Simulator, Summer Games has several imitators, and the Epyx game is itself inspired by a coin-operated game from Japan called Track and Field.

Prices of the top-selling comput-

er games remain relatively high. One-on-One costs \$40 in most stores, and Flight Simulator usually goes for \$50. Prices are not so high in Britain, according to Deirdre Boyd, editor of TV Games magazine in London. "Games that sell in America for about £30 sell here for about £10," she said.

In Britain, a sports game is the

top seller at Virgin Games, a large chain of stores selling computer software. Match Point, produced by Sinclair for its Spectrum computer, is a simulation of a tennis match at Wimbledon.

Some British games rely on sheer value for money. Virgin's No. 2 seller, Lords of Midnight for the Spectrum, reportedly has 32,000

images, all the more amazing since games sell for £10 or less.

Computer game prices may soon fall in both countries. Atari, now owned by Commodore's founder, Jack Tramiel, is expected to drop prices for Christmas to clear its game inventories, and other software companies may follow suit to stay competitive.

New Data-Base Systems Speeding Up Information Access

By Sarah Glazer

One-on-One is not the first hit sports computer game. Commodore's International Football game (known in the United States as International Soccer) has sold well in the last 12 months. But Electronic Arts has added a new touch of realism to One-on-One. "By limiting the number of characters on the screen to two, we could really amp up the quality of the animation," Mr. Hawkins said. The company also tried to program the simulated players with the talents of the real basketball stars involved.

The situation improved, however, and the latest data-organizing tools, known as relational data-base management systems, are powerful software packages that can make large bodies of information easily accessible.

Now available on personal computers, they enable small businesses to track inventory, process orders, keep detailed customer files and automate other business func-

tions in ways that only bigger companies could afford in the past.

Organized somewhat like a library's card catalog, relational data-base managers let users choose facts to pull out every record and list in separate indexes. To find information, one then has to ask the computer to search only the relevant index, not the entire data base.

For instance, a physician who keeps an index of patients' ages could have the computer print a list of patients over 65 in order to send notices recommending influenza inoculations. Some data-base management systems will even print mailing labels.

"Our research says that data-base management systems are one of the top five most popular computer applications," said a software analyst, Ann Morley of International Data Corp., a research com-

pany in Framingham, Massachusetts. She divides the products that run on personal computers into two categories: powerful packages that have true relational data-management capabilities and simpler versions known as file managers.

"People who want to do just a little data management, like senior administrators in a large or small company or people operating a business out of their home, may need no more than a simple file manager," Miss Morley said. "But if you're going to do heavy-duty data-base functions with inventory, customer lists and some accounting applications, you'll need something more sophisticated."

The best-selling file manager in the United States — also available in Europe since 1980 — is PFS-File from Software Publishing Corp. of Mountain View, California. The

company's vice president and general manager, Lowell Bedke, defined the aim of PFS-File as "handling individual needs as opposed to automating an entire company." Typical customers are physicians and salespeople or owners of small stores, she said.

Data-base packages span languages and cultures more easily than many packages do. Language is confined to menus and on-screen prompts, and programs do not deal with business practices, which often change from country to country. The user manuals for PFS-File have been translated into French, Swedish and Japanese, but the programs themselves are only just beginning to be translated now.

"PFS-File has always been noted

for its simplicity," Miss Bedke said. She attributed some of its international success to the small number of features that users must learn. But, she said, "to be really successful in Europe, you need a fully translated product."

Ashton-Tate of Culver City, California, has programs available in nine languages, including German, French and Japanese, for dBase-II, which the company claims is the best-selling relational data-base manager in the world. IDC's Miss Morley confirmed that Ashton-Tate dominated the high-end market segment for personal computer data-base managers, and she estimated that 14 percent of the company's revenue came from sales outside the United States.

Customer Apathy Slows Production of Portables

(Continued From Previous Page)

Systems Technology Inc. and Hewlett-Packard produced full-capacity portables.

Limited-capability machines were made by Epson America Inc., NEC Information Systems Inc. and Radio Shack. Characteristics commonly found in limited-capacity portables include a single operating system, screens of less than the usual 80 characters, limited software capabilities and, if any removable storage at all, a microcassette tape drive. These devices generally sell for less than \$1,000.

Prices for full-capacity general-purpose portables usually begin at \$1,500. These devices offer features that commonly include full 80-character screens, broad software capabilities and removable storage.

Some industry analysts contend that the lack of activity in the laptop computer industry goes beyond limited supply and poor product development and delivery, to misguided marketing. "Manufacturers and resellers have basically been selling the wrong end of the horse," said Gene R. Talsky, president of Professional Market Management Inc., a Connecticut-based consulting firm. "The public doesn't perceive these devices to be full-capacity machines."

Despite a sluggish public response to the portable computer, technological improvements in portable computer design have been consistent. In 1983, Cavilin Computer Corp. introduced the first device to offer a touch screen and built-in three-and-a-half-inch floppy-disk drive. Lack of removable storage had previously limited the capability of portables.

Further, software developers shied away from early lap models that used tape cassettes instead of floppy diskettes, as cassette storage is more limited. Tape cassettes also store data and programs sequentially, as opposed to a direct-access method.

Selling the business executive the idea that using a computer can be beneficial has been a problem in general. Many executives over 40 years old did not use a terminal or computer in college, are not comfortable with the image of "typing" and simply have not been convinced that computers can be easy to use.

In an industry where user-friendly software creation has been a problem, portable manufacturers who address this issue, such as MicroOffice and Hewlett-Packard, could potentially capture the market.

Manufacturers in Europe Begin to Meet Home Demand

(Continued From Previous Page)

to produce and market microcomputers," Mr. Truong said.

And the British success of home computing has whet the appetite of corporate and government officials throughout Europe.

But analysts warn that stimulating demand for home computing elsewhere may not be easy. "We don't see similar growth curves for other countries," said Williford Hay at IDC. "Entertainment is very prone to faddishness."

Domestic microcomputer makers nonetheless stand a good chance of imposing themselves on the home and education fronts. Entertainment and educational software can be fine-tuned to national tastes, giving domestic manufacturers an edge over foreign competitors.

The difference between the home and professional markets is that when people buy a domestic computer they buy a computer culture," said Benoit Denain at the Centre d'Etudes des Systèmes et Technologies Avancées in Paris.

As a result, analysts say, the European microcomputer industry might succeed in achieving leadership of home and educational markets. But manufacturers entered the microcomputer race too late to hope for European domination of the professional market, they add.

"They would have had to start several years ago," Mr. Lusso said.

On the 20th of September, Data General will introduce the standard by which every other PC will be measured.

Data General. a Generation ahead.

IBM Compatibility: Not All the Clones Are Created Equal

By Fred Langan

TORONTO — In the battle for IBM compatibility there appears to be a clear winner — the Compaq. An early Canadian startup, the Hyperion, though praised for its design, has fallen to the back of the pack.

The IBM Personal Computer was introduced three years ago to sneers of derision from computer snobs. They said that there was nothing really new in the machine IBM called the PC, that it did not break new ground.

Now the IBM PC is the standard in personal computers. Its success has spawned dozens of imitators — one of them being sued by IBM Canada — and produced thousands of programs to run on the PC. Software "has been developed for the IBM PC in record volume."

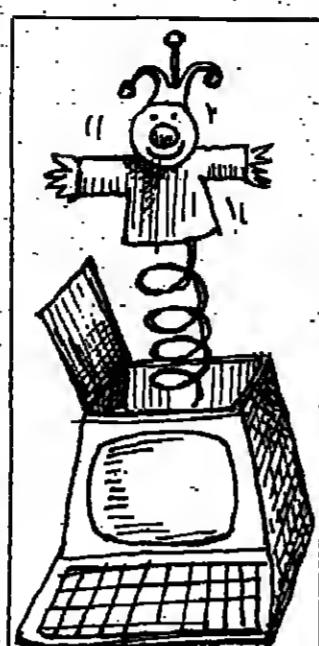
When it comes to the hardware, some manufacturers have been more successful than others in producing IBM clones. The big theme is compatibility; the effort to make the PC look-alike run all the programs designed to run on the real thing. Many promise this, but not all clones are created equal.

Take the Hyperion, built by the Montreal-based Byte-Comtern. The manufacturer said the machine would run IBM PC software. "We have no problems with compatibility," said Stewart Bacon, executive president in charge of marketing.

Others disagreed. "The Hyperion just wasn't very clean," said Lewis Berkowitz, who recently sold a chain of computer stores and now distributes computers. "They had their chance and they were surpassed." Mr. Berkowitz does, however, like the size and the design of the Hyperion, a portable computer. "It's a nice package," he said.

A problem with being one of the first with an IBM-compatible machine — the Hyperion came out almost two years ago — is that the competition that follows can correct mistakes. One of the Hyperion's design flaws is that its memory can be expanded only to 256 kilobytes while the IBM PC and compatible machines can be expanded to 640 kilobytes or more. The extra memory is needed to run a lot of the newer, more sophisticated software packages, such as Symphony, an upgraded version of the best-selling Lotus 1-2-3 program.

Brian Angus, a 22-year-old computer consultant specializing in



Japan Trails U.S. in Use of Personal Computers

By Jack Burton

TOKYO — Japan is not yet "user friendly" when it comes to personal computers.

While Japan contends with the United States for dominance in the mainframe computer field, the United States has clearly forged ahead in the use of personal computers.

"Japan is three to five years behind the United States in terms of the public's acceptance of computers," said John T. Sakai, vice president of Computerland Japan Ltd., a major retailer of personal computers. "Although the state of the art is comparable to the States, software availability and user-friendly systems lag behind."

Although one million personal computers are sold last year, about 90 percent were low-scale 8-bit units, mainly suitable for playing games, and 80 percent of the computer software purchased were games, according to Software International, a company that modifies and wholesales U.S. software in Japan.

Individual buyers of more powerful 16-bit personal computers, which can perform a variety of functions, tend to be dedicated computer users.

Developing software in the first place was difficult since it had to process and display *kunji*, the Japanese ideographical writing system. Software developers were also leery of devoting time and money to producing specially designed programs for a wide range of computers that faced an uncertain future in the marketplace. The result was a stalemate and a lot of machines gathering dust because of an inadequate supply of software.

Recognizing the importance of software in marketing their units, makers of personal computers last year started including prepackaged programs, contracted from software developers, with their computers.

Still, the Japanese computer buyer has to face other difficulties in the software field. Although most 8-bit and 16-bit Japanese computers use a standard operating system, which enables the same program to be run on machines produced by different manufacturers, there is a lack of standard software.

Cost is another constraint on computer use. A top-of-the-line IBM 5550, a version of the IBM PC modified for the Japanese market, can cost \$4,000. Even the NEC PC-9800, Japan's best-selling 16-bit

computer, costs about \$1,200. That is beyond the reach of most Japanese households, where a videotape player priced at \$400 is considered a luxury item.

Several major manufacturers of personal computers are trying to correct the cost problem by introducing a series of so-called MSX 8-bit computers in the \$300-to-\$400 range. "To get to the heart of the consumer electronics market in Japan, you have to price your product at below \$500 and these computers are designed to do that," said Darrel Whitten, an analyst at Bachelder Shelds in Tokyo.

Although Japan has started slowly in the personal computer revolution, it may finish at a good clip, albeit in a direction different from that in the United States.

Services Industry Blooms to Supply Microcomputer Boom

(Continued From Page 13)

style are emerging. Transactions such as home banking, brokerage and shopping head the list of such services for the residential market. Most are offered by single institutions, not as part of a large network such as CompuServe or the Source.

In the United States, about 20 financial institutions offer home banking, enabling customers to transfer funds, verify account balances and pay bills via personal computer. Many more plan to upgrade telephone, bill-paying services to facilitate banking by computer. More than 30,000 U.S. households subscribe to a home banking service.

More than a dozen brokerages, from full-service to discount firms, offer stock information to micro-computer users. On a few of these services — especially those operated by discount brokerages such as C.D. Anderson in California or Fidelity Group in Boston — subscribers can initiate a stock transaction by entering a buy or sell order on computer instructions, then deliver groceries to customers' homes. About 140 San Francisco residents take advantage of the service.

Several computerized shopping services are designed for the computer hobbyist, and they feature computer software and accessories. The most unusual is Fantasy Plaza, a computer bulletin board organized as an electronic shopping mall.

Fantasy Plaza was created by Gregg Collins, a computer programmer from Burbank, California, who runs the program on his Commodore 64 personal computer. Computer users dial the plaza, then view a floor plan of the six-level shopping center. By entering simple commands, the shopper can enter any of the specialty shops, which carry programs and accessories for most popular personal computer models. If a consumer decides to buy something, he enters an order number and pays the

"cashier" (by entering a credit card number) as he leaves the plaza. Although designed for the computer hobbyist, the plaza offers household appliances and electronic items as well. Mr. Collins is also considering a "basement level," which would feature adult-oriented novelties.

After making a purchase, the customer can be "driven" home via a computerized limousine. Mr. Collins estimated that the plaza received 300 electronic visits a day.

Mr. Collins is also the developer of Dial-Your-Match, a bulletin board that serves as a free electronic dating service. Lonely computer backers join the service by filling out an on-line questionnaire with information on age, sexual preference, interests and physical characteristics. The computer then compares the questionnaire with others on file. Users can requesting the computer to provide only names that match a given percentage of the questions. Once a prospective date is chosen, the caller can make contact via electronic mail.

Mr. Collins also licenses Dial-Your-Match software. For \$149, anyone with an Apple or Commodore personal computer can establish a Dial-Your-Match service. There are about 50 Dial-Your-Match services to date, including ones in Vancouver and Marseilles.

While on-line matchmaking may seem whimsical, some of the connections thus made have resulted in long-term relationships, and a few have led to marriage. One couple even got married by computer. The bride (from Arizona) met the groom (from Texas) met on CompuServe's CB Simulator and decided

to get married over the same service. A minister typed the vows into a computer, the couple responded via computer, and about 75 "guests" (including the bride's mother) witnessed the ceremony on computer. Congratulations were sent via computer mail. "It was," said CompuServe's Mr. Baker, "a very interesting evening."

Many data-base services have been tailored for business computer users. CompuServe and the Source plan to tap the growing base of communicating business computers by offering services for executives. Both services carry the Official Airline Guides Electronic Edition, a computerized, frequently updated listing of domestic and international airline schedules and fares. CompuServe users can tie in with TWA's computerized reservation system to reserve or buy airline tickets. The Source has a national restaurant and hotel guide — a service "very popular with frequent travelers," Miss Beckman said.

Dow Jones & Co., which publishes the Wall Street Journal and Barron's, has developed a service comparable to CompuServe and the Source for business customers. Dow Jones News/Retrieval claims more than 160,000 subscribers. Users pay roughly \$72 an hour online, billed in one-minute increments. Services include up-to-date business news, a weekly update of economic statistics, current and past stock quotes and averages, financial and investment data and general reference. Dow Jones also includes a computerized shopping service and the Official Airline Guide.

"On-line services have been developed for specific businesses as well. AgriData Resources Inc. is for farmers and agribusinesses, providing general and agricultural news as well. services, commodities quotes and a classified advertising service for farmers. Harris Electronic News has a similar agribusiness service.

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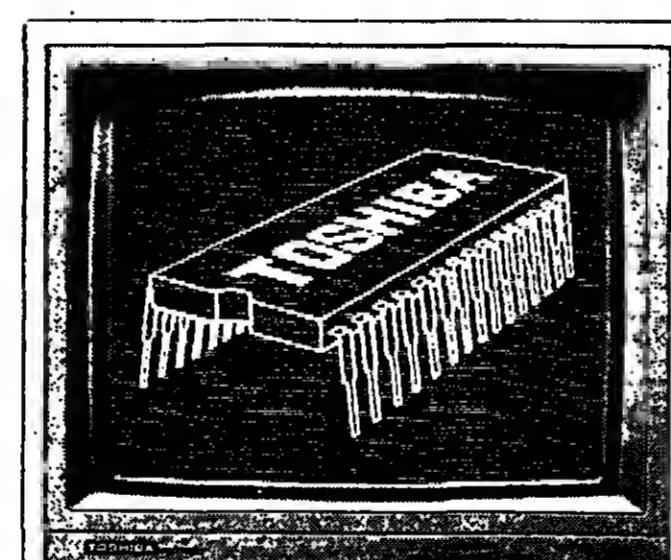
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Pöhl Says Intervention Will Not Weaken Dollar

Reuters

FRANKFURT — Concerted central bank intervention to break the U.S. dollar's rise cannot work, Karl Otto Pöhl, the head of the West Germany's Bundesbank said Monday.

"We [in Bundesbank] have said often enough," he said, "that we have no illusions over this. We don't want to lean against the wind." A concerted European interest-rate policy to counter the dollar is impractical and the U.S. Federal Reserve Board should not be blamed for its surge, Mr. Pöhl added.

The bank chief blamed the surging dollar and high U.S. interest rates primarily on the U.S. budget and current-account deficits. He said a decision by the Federal Reserve Board to ease monetary policy significantly would have the wrong impact, reawakening inflationary expectations and pushing U.S. interest rates still higher.

Mr. Pöhl also said that the clause in Mexico's multiyear rescheduling agreement allowing non-U.S. banks to switch debt out of the dollar is not a reason behind the dollar's recent surge.

According to all the textbooks, the huge U.S. current-account deficit should put pressure on the dollar, Mr. Pöhl said.

But the U.S. government is finding no problems financing the deficit, with U.S. banks now net borrowers on capital markets. Further, the abolition of the U.S. withholding tax on interest of U.S. bonds owned by foreign investors is de-

signed to attract even more foreign capital, he noted.

The Bundesbank has recommended the early lifting of a similar West German "coupon tax" on interest payments on foreign bonds to foreign holders.

"This is unfortunately taking a long time in Bonn, but I hope and believe it will be proposed by the Finance Ministry soon," Mr. Pöhl said.

He said the dollar's rise has had clear benefits for the West German economy, with a 40-percent increase in first-half exports to the United States, and domestic interest rates showing a remarkable independence from U.S. trends. Consumer prices have risen over the past six months at an annual rate of just 1 percent.

Mr. Pöhl said that on balance West Germany cannot be satisfied with the current dollar level. West German price stability is by no means guaranteed, with domestic wage costs due to rise next year and the further trend of raw-material prices uncertain.

He said West German companies currently benefiting from windfall profits from dollar-based business should be wary of making the same mistake as in the 1960s, when long-term investment plans were made on the basis of what turned out to be an overvalued dollar against the mark.

Mr. Pöhl added he still sees no reason to relax or to tighten West German interest-rate policies. He



Karl Otto Pöhl

said the West German economy has picked up strongly since strikes in May and June as companies have made efforts to catch up on delivery delays. Inflation-adjusted growth in gross national product is now possible, he added. GNP is the total value of goods and services, including income from foreign investments.

First indications for August show that despite the dollar's surge, long-term capital outflows from West Germany have not accelerated from July's 3 billion Deutsche marks (\$993 million), Mr. Pöhl said.

He added that foreign investors appear to have been buying West German bonds in anticipation of currency gains if the mark recovers against the dollar.

On the Mexican debt agreement, Mr. Pöhl said that although there has been speculation recently on foreign-exchange markets that the Mexican clause has already led to currency switching, questioning of banks shows this has not been happening yet, he said.

The call for a strengthening of the EMS, created five years ago to prevent excessive fluctuations in exchange rates for European currencies, followed a weekend change in the composition of the ECU. The effect of this move, effective from Monday, was to reduce the strength of the mark in the ECU.

The finance ministers made a similar plea on strengthening the EMS in May this year.

Mr. Pöhl said Brazil has made significant progress in the adjustment of its economy, but practically none on fighting inflation. He said that Argentina represents the most difficult political case in the current rescheduling negotiations.

EC Ministers Want EMS Strengthened

Reuters

ENNIS, Ireland — European Community finance ministers meeting here informally have asked their central bankers to propose ways to boost the European Monetary System by November, diplomats said Monday.

"This is unfortunately taking a long time in Bonn, but I hope and believe it will be proposed by the Finance Ministry soon," Mr. Pöhl said.

They said the proposals should include measures to bring the economies of member states closer together, to liberalize their capital markets and to promote the European Currency Unit by encouraging its wider private use by corporations and individuals and by raising official ECU interest rates.

However, West Germany, supported by Britain, continued to press for the removal of remaining exchange controls within the community as a condition for any wider ECU role.

The diplomats said West Germany objects to the idea of a wider role for the ECU, which it considers should simply represent a basket of the 10 community currencies. It believes the ECU, which has been gaining influence on European bourses, could have an uncontrollable effect on the Deutsche mark if allowed the status of a currency in its own right, they added.

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The finance ministers made a similar plea on strengthening the EMS in May this year.

World Bank Cites Constraints on Scope of Aid

By Hobart Rowen

Washington Post Service

WASHINGTON — The World Bank, a main source of development funds for almost 100 countries, said in its annual report published Monday that despite a variety of innovations to meet "exceptional difficulties," the scope of its aid had been constrained.

The annual report said that the bank had approved loans totaling \$11.9 billion in fiscal 1984, ending June 30, slightly less than had been projected, because borrowing countries had been forced to reduce their investments, and because "of the requirements of prudent financial management."

For fiscal 1985, the loan approval target has been set at \$12.6 billion to \$13.3 billion.

As a result of limits that donor nations, notably the United States, have placed on the resources they make available, lending by the World Bank's subsidized affiliate, the International Development Association, has been curbed, too.

The new IDA program will be limited to \$9 billion for the next three years, 25 percent below the level that the World Bank had set as the necessary minimum.

The impact of reduced IDA re-

sources will be especially severe in Sub-Saharan Africa and other low-income countries, according to the World Bank report.

Because of these developments, the bank's role in the next several years will be a major discussion topic at a meeting in Washington Sunday of the joint IMF-World Bank Development Committee. These talks will preclude the annual meeting of the two organizations starting next Monday. Before this joint session, however, the World Bank and the International Monetary Fund hold independent annual meetings starting Wednesday.

The bank's report said that discussions between the bank management and the executive board, which represents the shareholding countries, "on the future role of the bank take on an added importance" in the light of the limits of aid.

During the past year, the World Bank has been conducting a review on how best to adapt its development-aid efforts for the remaining years of the decade. As one phase of this "new role" exercise, the bank is readying a report on Africa to the development committee.

World Bank papers recently made public stress the growing diversity of bank programs designed

to assist Third World nations to adjust to the 1981-82 recession without taking over the International Monetary Fund's primary role of short-term balance of payments assistance.

Because of the international debt crisis, the bank has sharply accelerated actual disbursements, which reached \$8.6 billion in fiscal 1984, compared with \$6.8 billion in fiscal 1983. But because of capital limitations, the bank's vice president for operations policy, S. Shaid Husain, said this acceleration in actual payments will level off "before too long."

Bank officials have said that they will soon need another major capital increase, but so far have not publicly speculated on how much.

The report also cited increased efforts by the bank to co-finance projects with private banks. In addition, the report describes the



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Mexico Pact Called Unsuitable to Brazil Debt

Reuters

FRANKFURT — The multiyear Mexican rescheduling is a breakthrough in the international debt crisis, but its pattern cannot be applied to Brazil without changes, the spokesman for Deutsche Bank AG's management board, Wilfried Guth, said Monday.

The Mexican rescheduling, agreed on in principle with its 13 bank negotiating committee Sept. 7, will be an important model. But Brazil is still the most difficult case,

partly due to the sheer size of its international debt, Mr. Guth said.

Brazil's foreign debt is estimated at \$90 billion. Although banks are not being asked to put up fresh cash for Mexico, there is no doubt that Brazil will need it, he said.

The Mexican pact will stretch out repayment of \$48.5 billion of debt over 14 years.

Mr. Guth said another major difference that will face banks when they meet to consider further rescheduling of Brazil's debt later this year is the large proportion of government-guaranteed credits

that will have to be renegotiated separately.

He said the Mexican agreement could meet resistance from regional U.S. banks, but the absence of a new cash element should ensure broad acceptance. Mexico should be able to resume normal market borrowing for fresh funds in 1985.

Mr. Guth said Brazil has made significant progress in the adjustment of its economy, but practically none on fighting inflation. He said that Argentina represents the most difficult political case in the current rescheduling negotiations.

PERSONALITIES PLUS
MARY BLUME
IN THE WEEKEND SECTION OF FRIDAY'S FT

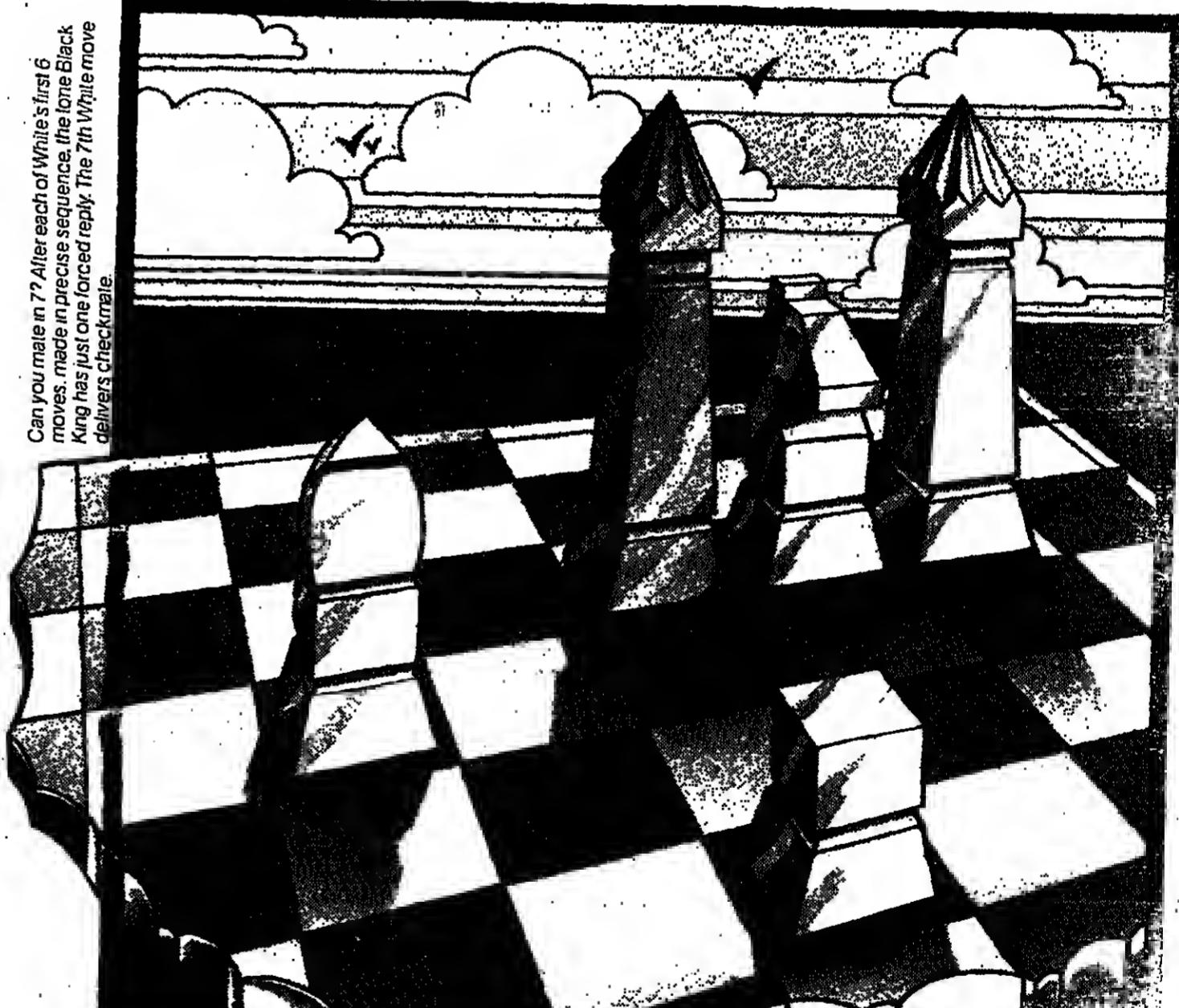
relatively modest European recovery, it also will mean that European governments must be "more rigorous in our fight against inflation and budget deficits," he added. "We have our responsibilities as well."

Tax Causes Manila Bus Strike

United Press International

MANILA — Twenty thousand angry drivers of small buses known as "jeepneys" went on strike Monday, paralyzing mass transit for thousands of Philippine commuters.

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923,000 Shares of Common Stock

New Jersey National Corporation

The sale of these shares was arranged by

Bear Stearns International Corporation
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New York/Atlanta/Boston/Chicago/Dallas/Los Angeles/San Francisco
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300,000 Shares of Common Stock

Horizon Bancorp

The sale of these shares was arranged by

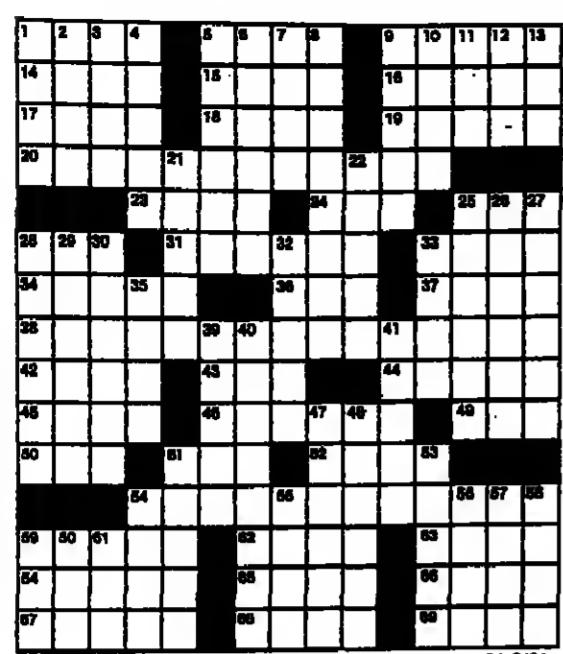
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ACROSS

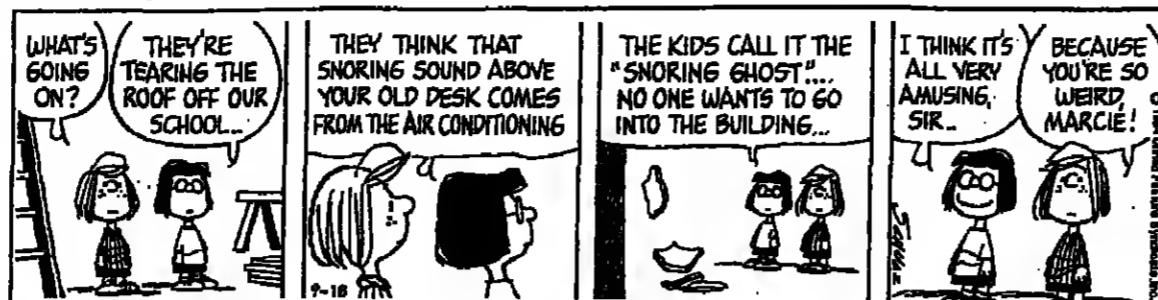
- Brewer's foamy yeast
- "For once, upon—and gusty day..." Shak.
- Prior's superior
- Oliver for Ovid
- Skirt style
- Racoon's relative
- Biblical king
- Something singular
- Condor's claw
- Martin Sheen, n.d.
- Taunt
- Word with cent or herring
- One of a Latin trio
- Bell and Kettle
- Alfonse's polite am.
- B-way bomb
- Fanon
- Press's suit
- River in Switzerland
- Dylan, né
- Portent
- Charged particle
- Revolted
- Chalcedony
- Insomniac pitcher?
- Russian state: Abor.

DOWN

- Male pig
- Pesky pool plant
- Enlarge a hole
- Gog and—
- A protoson
- Hair preparations
- Noted French violinist: 17th c.
- Books' bailiwick
- Functioned
- Rum's island
- Dance in France
- Sitcom
- Stout
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WIZARD OF ID



DENNIS THE MENACE



'CAN YOU NAME FOUR THINGS THAT CONTAIN MILK?'

THAT SCRABBLE WORD GAME
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JUMBLE

Unscramble these four Jumbles, one letter per square, to form four ordinary words.

ROHTT

ILFOO

GIANAU

UMLUTT

THE IMPRESSION MADE ON ONE WHO'S BEEN IN THE NAVY MIGHT BE QUITE LASTING.

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

(Answers tomorrow,

Yesterday's Jumble DRAMA BEFOG UNSAID MAGNUM
Answer: From the surgeon came these words—"GO, NURSE!"

Print answer here:

(Answers tomorrow,

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